

Leveraging Our Strengths to Create Value on the Front Lines

— Each Business Group’s Initiatives Tailored to Industry of Each Customer

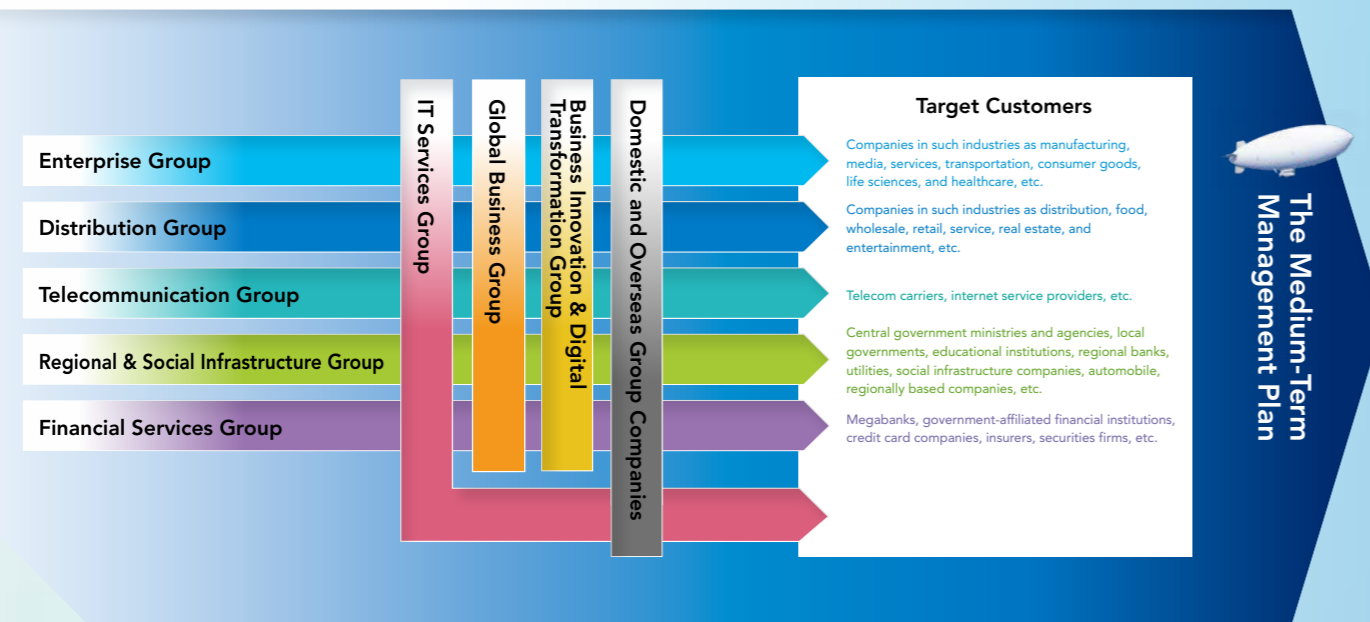
Vertical and Horizontal Organizational Structure and Functions

Since our founding in 1972, we have held “customer satisfaction” as our creed, and every one of our employees has seriously confronted the issues faced by customers and provided solutions based on IT technology. This, in other words, is a challenge to create the future for our customers, and this mode of behavior has not changed in the 50 years since our founding.

Even today, when various IT technologies are emerging one after the other, our business groups, which are separated according to the respective industries of our customers, continue to take on the challenge of squarely

confronting their issues and providing solutions that cater to such needs. Our cross-sectional organization is underpinning this challenge by our business groups by planning businesses in the areas of Cloud computing, managed services, DX, and global business.

While both success and failure can result from challenges, the trust of our partners and customers that are gained from such countless experiences is a source of capital for the Group, and helps improve our employees’ digital technology and *waza* (unique skillset). This repetition forms the foundation for further challenges.



Enterprise Group

Target Customers

Companies in such industries as manufacturing, media, services, transportation, consumer goods, life sciences, and healthcare

PICK UP!

Establish an IT Infrastructure to Properly Manage Intellectual Assets and Develop an Operational Governance Structure

Relevant material issues
Promoting business co-creation with various partners

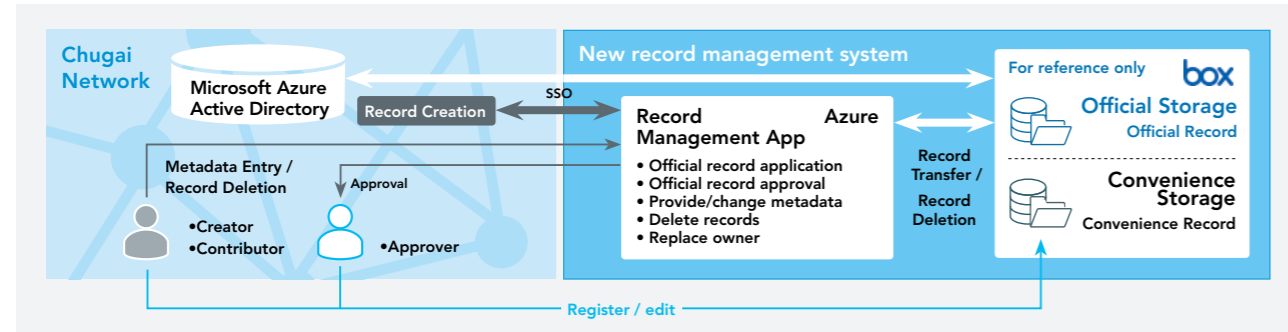
Chugai Pharmaceutical Co., Ltd., which engages in the business of research, development, manufacturing, and sales of pharmaceuticals, is actively promoting digital shifts and the use of internal data. Meanwhile, the amount of data that expands along with these activities must be properly managed to reduce various risks, and the development of management rules and IT infrastructure has become an urgent task.

CTC assisted in establishing an IT infrastructure to properly manage the critical assets (Record) held by the Group and realize a Companywide governance system.

The system that was previously used by the Chugai Group to

manage records had issues, such as with the legal hold function and the management of data disposal deadlines. However, by using a secure Cloud storage "box" as a system infrastructure, we implemented the functions to effectively and efficiently control various Record and develop a system focused on user interface and user experience. The system can also be flexibly expanded and is slated to offer additional functions.

We will continue to work in tandem with Chugai Pharmaceutical by drawing on our abundant experience while supporting them as a partner that supports its DX efforts.



**Developed a Design That Can Be Easily Used by 10,000 People
Unlocking New Horizons for Information Governance (IG)**

Yuji Kuwahata
Life Science Sales
Department No.2



The hurdles associated with information governance (IG), the appropriate management of all information belonging to a company, continue to get higher as they become more and more important with the increasing volume of information. For CTC, this project is a new initiative that makes full use of its cutting-edge scratch development.

In the pharmaceutical industry, pharmaceutical companies hold information that is essential to their businesses, including information on drug manufacturing, such as research and development, information on safety and side effects that are reported to authorities, and personal information related to such information. In addition, with the increasing number of opportunities in recent years to conduct joint research with universities and hospitals to create innovative drugs and exchange information, it was necessary to develop a system that properly manages such information while protecting it. Furthermore, because the system is used by more than 10,000 people, we devoted a lot of effort into designing user interfaces and user experiences that are easy to use for everyone.

With the new system, although the document must be updated as necessary according to the status of each file, it can assign such information as the administrator, the storage period, and the storage expiration date, providing a mechanism for preventing the tampering of finalized files. As a result, there is now a system that can manage a series of lifecycles from document creation to disposal.

With the recent development of information protection laws and the increasing risk of lawsuits, it will become necessary in other industries as well to develop a system that realizes IG, and we will aim to expand our business to other industries by drawing on the experience we gain from implementing this project.

Message from the Executive Officer in Charge

Turn the Increasing Volume of Massive Data into Customer Value and Develop CTC's New Business Model

As companies pull even further ahead with their DX efforts and advance to the digital business era, there will be increasing expectations for them to create a new business model that addresses the changes in society. The Enterprise Group will create value-added business models, such as support for data-driven management and GX, by focusing on a data-first approach based on data use and DX plus-One, which adds new value to DX, and strive to further expand business.

Strengthen Organizational Responsiveness and Profitability by Leveraging Cutting-Edge Technology and Expertise

Along with our technological capabilities for Cloud-based development and infrastructure construction, which is a strength of the Enterprise Group, and knowledge cultivated from our extensive customer base, we will continue to strengthen relationships with external vendors and partners to expand our technological and development structure that can provide comprehensive support for Cloud journeys, with the aim of improving profitability.



Takanori Minatohara
Senior Managing Executive Officer
COO, Enterprise Group; CPMO

Strengths, Issues, and Risks in the External Business Environment

Strengths

- Strong customer base covering a wide range of business fields
- Operational know-how derived from our broad customer base
- DX capabilities leveraging advantages as a multi-vendor and full-stack technologies
- Establishment of large-scale system through collaboration and cooperation with various partners
- Sustainability initiatives utilized by analysis and simulation technologies

Issues

- Improve ability to make sales proposals that expand customer value
- Lack of engineer resources to respond to DX needs
- Ensure profitability through the growth of Cloud business

Risks in the External Business Environment

- Economic slowdown due to yen depreciation, rising raw material costs, etc.
- Shortage of IT-proficient human resources due to population aging and decline in the birthrate
- Global economic recession as a result of the Ukraine crisis, etc.

Fiscal 2022 Initiatives and Results

To accelerate our DX business, as set forth in the medium-term management plan, we focused on acquiring digital shift (business innovation-type DX) projects and model shift (business transformation-type DX) projects aimed at expanding business while co-creating with and working alongside customers. We also launched a co-creation scheme with railway companies using IoT camera solutions. In addition, we systematized and received orders for GX services as we worked to develop new businesses and uncover profit-earning opportunities for the next fiscal year and beyond.

We addressed the strong customer demand for DX through our technological capabilities, such as the development of large-scale infrastructure and the provision of hybrid Cloud services, in which we hold a competitive edge, and our related businesses grew significantly as a result.

In addition, a CPMO liaison conference was established and began operations for the purpose of understanding the business status of the products we handle and formulating policies to maximize our business. Through QBR with major vendors, we continued to strengthen cooperation and information sharing, and worked to strengthen vendor relations.

In an effort to develop highly skilled personnel, we held DX training for sales personnel and a training program to strengthen the sales capabilities of our younger employees, mainly to further increase the value we provide to customers, as well as training on focused solutions and reskilling for system engineers to raise the level of their overall skills.

In addition, we continued to collaborate with CTC TECHNOLOGY which boasts technological capabilities in infrastructure construction and expanded the scope of collaboration to the DX domain, in order to resolve the chronic shortage of system engineering human resources and expand the SI domain.

Initiatives for Fiscal 2023

- Strengthen and develop key accounts that drive our business while uncovering and developing new key accounts
- Execute GX strategies by anticipating the speed of market growth
- Promote discussions on the establishment of co-creation schemes with customers

Accelerate

- Strengthen and expand our technological and development structures to comprehensively support the becoming Cloud-native for customer systems
- Strengthen relationships with vendors and partners with a view to promoting collaboration and co-creation over the medium to long term
- Achieve revenue growth through high-value-added engineers and services

Expand

- Promote design of the development program aimed at further strengthening our DX human resources by considering and developing themes to focus on from a technical perspective
- Enhance collaboration with partners to strengthen system engineering human resources
- Achieve mutual growth through stronger communication between sales personnel and engineers and improve their overall skills through collaboration with Group companies

Upgrade

Distribution Group

Target Customers

Companies in such industries as distribution, food, wholesale, retail, service, real estate, and entertainment

PICK UP!

Collaboration to Help Support the DX of "Smart Receipt"

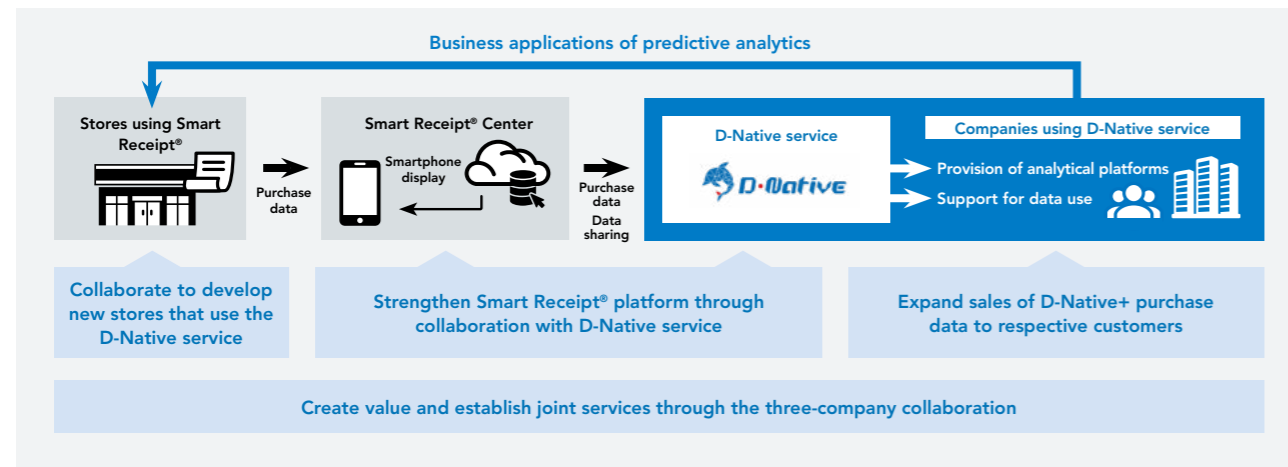
Relevant material issues
Promoting business co-creation with various partners

Toshiba Data Corporation, Toshiba Tec Corporation, and CTC have teamed up to launch an initiative that links purchase data obtained from Toshiba Tec Corporation's Smart Receipt® electronic receipt service to D-Native (an accompanying service that supports the entire lifecycle of data utilization).

Smart Receipt® is a service that digitizes product receipts so that they can be viewed on smartphones. Toshiba Data processes the vast amount of real-time purchase data obtained from Smart Receipt® into statistical purchase data with the user's permission and deploys it on the D-Native

service contains industry-specific AI and machine learning templates and a wealth of use cases, and provides a platform for a wide range of predictive analytics, including demand forecasting, appropriate inventory, retention (churn analysis), marketing, and sales promotion planning.

In order to promote DX in various industries, such as retail distribution and consumer goods manufacturers, we will promote the data service business to identify issues and solutions for each company while keeping abreast of rapidly changing consumer behavior in a timely manner.



**D-Native
The Strengths of CTC Also Lie in Its Support Services**

Hisayuki Sato
Data Business
Department



Through the D-Native data utilization service, CTC is developing support services that enable customers to actually use data, in addition to its framework for storing data and tools for using them. The Smart Receipt®-based analysis template is a part of this service.

I have been involved in data-related businesses for more than 20 years since my fourth year with the Company. At first, there was very little understanding of the significance of data. However, it began to be spread more and more from around 10 years ago and now, even terms like data-driven management has become a part of our daily life.

However, it is not uncommon for companies and organizations to have problems such as not being able to use data and tools effectively even if they are at their disposal. A typical example is when problems arise due to the lack of data shared between the DX department and the sales department. The data business department, to which I belong, addresses such customer concerns and helps them effectively utilize data. Although this is still a new initiative, I hope that by building on our accomplishments, our customers will realize that the strengths of CTC lie not only in its infrastructure but in its support as well.

Message from the Executive Officer in Charge

Addressing Constantly Changing Issues and Needs

The Group has accumulated knowledge of various industries through its ongoing business with customers in such industries as distribution, food, wholesale, and retail. However, the issues and needs of our customers are changing on a daily basis in line with evolving consumer behavior and lifestyles. While quickly identifying signs of such changes, we will draw on our cross-sectional in-house knowledge, collaborate with external partners, and engage in co-creation with customers, with the aim of becoming a solutions group that is a true business partner.

Improving Technology and Promoting Workstyle Reform

In order to meet the diverse needs of our customers, it is essential that we develop human resources with a variety of skills. The Distribution Group is focused on developing human resources through in-house engineer training programs and other means to enhance their technologies suited to the value sought after by customers and promote workstyle reforms that enable each employee to demonstrate their capabilities in a vibrant manner. We will also optimally combine our human resources and products for each project to provide solutions that cater to the diverse needs of our customers.



Kiyoshi Imagawa
Managing Executive Officer
COO, Distribution Group
COO, Global Business Group

Strengths, Issues, and Risks in the External Business Environment

Strengths

- Operational knowledge accumulated through continuous development of relationships with customers in the distribution and retail industries
- Proprietary solutions that contribute to customers' DX initiatives
- Synergy with ITOCHU Group companies

Issues

- Difficulty in acquiring engineers
- Dealing with increasingly complex and large-scale projects

Risks in the External Business Environment

- Decline in consumer spending due to the economic slowdown
- Shortage of human resources in the distribution industry

Fiscal 2022 Initiatives and Results

We began providing our D-Native data management platform, which was created through our co-creation business with customers, as a service. This service, which supports the entire lifecycle of data utilization while accompanying customers, was released in May 2022, which was followed by the launch of D-Native on AWS, a service that supports small start-up projects, in November 2022.

We also expanded our product sales business by focusing on the entertainment and other industries in an effort to widen our trading area.

We focused on the next-generation core system projects of our existing customers and helped promote our customers' DX efforts and expand their overseas network.

We also moved aggressively to deploy Figues, an ERP peripheral solution, and promoted its implementation to existing customers. In addition, we expanded our services by acquiring SAP S/4HANA Cloud license sales rights and began offering them to new customers.

After visualizing the skills of both engineers and sales personnel, we worked to strengthen our organizational capabilities through individual growth and the placement of the right people in the right positions.

Moreover, a task force was put in place to examine our approach to the issues that are common to all divisions of the Distribution Group, and we also looked into consolidating our business sites with a view to realizing more efficient ways of working.

Initiatives for Fiscal 2023

- Continue to strengthen the DX co-creation business and LOB business
- Create GX projects for customers in response to social needs
- Develop new customers and strengthen product sales

Accelerate

- Expand the XaaS and infrastructure businesses
- Create and expand sales of solutions in the Cloud, network, and security fields
- Contribute to the phasing out of legacy modernization of core systems

Expand

- Further promote individual growth through a variety of education and training programs
- Strengthen collaboration with development partners and product vendors, and develop new businesses through collaboration and co-creation
- Add greater value to the business by transforming development methods, enhancing quality, and streamlining the maintenance and operation businesses

Upgrade

Telecommunication Group

Target Customers

Telecom carriers, internet service providers, etc.

PICK UP!

Helping Invigorate Local Communities Cohesively by Dispatching Employees

Relevant material issues

Promoting business co-creation with various partners

Located on Awashima, a small island off the coast of Niigata Prefecture, Awashimaura Village in Iwafune-Gun, Niigata Prefecture, has two main industries: tourism-related industries that attract approximately 20,000 tourists a year to the island, and the fishing industry that takes advantage of its rich marine resources. In recent years, the village has been working to utilize IT and to acquire and train IT personnel in order to further promote and revitalize the industry.

CTC has concluded an Agreement on Employee Dispatch under the Regional Revitalization Entrepreneur System* with Awashimaura Village. We will help promote DX and revitalize the local economy of the village by (1) dispatching CTC employees to establish and upgrade the information and telecommunications environment, (2) creating a new local economy through information sharing and exchange with those outside the island,

and (3) identifying local issues and providing support for planning measures.

Aiming to provide greater convenience to the residents of the island, promote carbon neutrality, and create a recycling-oriented society, we will contribute to the long-term development of Awashimaura Village as an accompanying partner and continue to pursue data utilization and DX frameworks that we can propose to other regions based on the know-how we have accumulated through our support to Awashimaura Village.

* The Regional Revitalization Entrepreneur System: A program conducted by the Ministry of Internal Affairs and Communications under which private companies in the three major metropolitan areas of Japan, upon request of local governments, dispatch employees for a certain period of time to share their know-how and expertise with these local governments. The aim of this program is to attract more people to regional areas through cooperation between local governments and private companies.



From left:
Mr. Rokkaku, CTC First Contact Corporation, on duty as a village office staff;
Mr. Ishizuka, manager, general affairs division; Mr. Ogawa, General Manager of the team (CTC); Mr. Wakikawa, village chief; Mr. Lopez (CTC); Ms. Takada (CTC);
Mr. Fujita, policy coordination supervisor

Ryoma Claudio Lopez

Telecommunication Carrier Business
Sales Planning Team



Our Commitment to Regional Development

Since September 2022, CTC has been working with Awashimaura Village to promote DX in major industries and this initiative is gradually taking shape through the establishment of online reservations for facilities and the support of sales of fresh seafood in collaboration with a start-up company.

This project is a co-creation business model that enriches the village, which in turn, leads to the growth of our business. Through our efforts in Awashimaura Village, we aim resolve social issues through IT services that are unique to CTC.

Meanwhile, IT alone will not be enough to resolve the challenges of regional development. We believe that a role resembling that of a regional trading company will be necessary in the future to realize sustainable regional societies, and to that end, we are promoting initiatives in collaboration with ITOCHU Corporation and regional partners.

Through regional development initiatives, we will create new value for CTC and help further expand the scope of business.

Message from the Executive Officer in Charge

Establishing an Overwhelming Presence in the Telecommunications Infrastructure Business

The volume of data in mobile communications is increasing on a daily basis due to the increasing number and complexity of the contents being processed by mobile terminals. In order for CTC to continue to play a key role in telecommunications carrier services going forward, it is essential that it not only develops stable telecommunications infrastructure that can handle massive amounts of data but it provides solutions that incorporate new technologies, such as AI and edge computing for increasingly complex networks. Moreover, in addition to expanding the use of 5G, we must engage in O-RAN and other areas of the RAN field that allow us to flexibly select products and improve the cost efficiency of telecommunications carriers.

The Telecommunication Group has been driving our telecommunications business in line with the development of increasingly sophisticated mobile communication systems. Going forward, we will continue to draw on our capabilities in construction and operation of large-scale infrastructure and product procurement, which we have developed over many years in business, to establish an overwhelming presence in the telecommunications infrastructure business.

Ambitiously Pursuing New Areas of Business

As telecommunications carriers strengthen their non-telecommunications services, such as point services, content distribution, and electronic payment, the Telecommunication Group will also direct its efforts to the service platform domain of telecommunications carriers as an area with growth potential. In addition, our co-creation business for corporate customers involving telecommunications carriers is steadily showing results, further expanding our coverage area. We will continue to promote and expand our co-creation business as a business partner of telecommunications carriers.



Yasuhiko Terada
Senior Managing Executive Officer
COO, Telecommunication Group

Strengths, Issues, and Risks in the External Business Environment

Strengths

- Large-scale infrastructure building capabilities that support telecommunications networks
- Ability to develop and manage mission-critical systems
- Ability to discover, acquire, and provide next-generation technologies and the latest products

Issues

- Achieving rapid responses and differentiation in relation to the introduction of new technologies
- Securing and developing high-value-added human resources

Risks in the External Business Environment

- Intensification of competition for businesses for telecom carriers
- Loss of business opportunities due to a shortage of semiconductors
- Rapid foreign exchange rate fluctuations

Fiscal 2022 Initiatives and Results

We saw steady growth in the number of service platform projects for telecommunications carriers and joint corporate business projects. We also began engaging in regional development and regional revitalization projects.

In the RAN field, we continued to expand our line of RAN products and services and strengthen our support for MEC construction in order to tap into the business.

We developed support and construction systems for next-generation communications standards, such as local 5G and Wi-Fi6, and expanded our in-house training programs.

In the XaaS business, we achieved steady growth through the expansion of our service lineup.

We proceeded with efforts to strategically acquire human resources and enhance their added value and knowledge for our next stage of growth.

We increased the number of training opportunities and expanded our team of qualified experts in AI and advanced technologies.

We also remained actively involved in various external organizations promoting the use and development of advanced technology to continue to expand our pool of knowledge.

Initiatives for Fiscal 2023

- Expand service platform projects in line with customers' promotion of DX
- Strengthen initiatives for smart city-related and other projects aimed at resolving regional and social issues
- Strengthen collaborative businesses with telecommunications carriers and promote co-creation business with CTC's other business groups

Accelerate

- Continue to acquire 5G-related projects for telecommunications carriers
- Promote business toward the full-scale development of new fields, such as O-RAN, vRAN, and MEC

Expand

- Strengthen the development of personnel with expertise in multiple fields by promoting the acquisition of wireless, virtualization technology, and other qualifications
- Promote measures to secure and retain personnel in line with growth strategies, such as diversity recruitment strategies, the strengthening of relationships with partner companies, and collaborations with various organizations

Upgrade

Regional & Social Infrastructure Group

Target Customers

Central government ministries and agencies, local governments, educational institutions, regional banks, utilities, social infrastructure companies, automobile, regionally based companies, etc.

PICK UP!

Providing Total Services Covering Design, Construction, Maintenance, and Operation of Cloud Service-Based Systems

Relevant material issues
Providing safe and reliable IT services

CTC has renewed the Ministry of the Environment's network system, establishing a hybrid system that combines on-premise and Cloud computing and transferring the communication tools, including email and groupware, to the public Cloud. Systems handling highly sensitive data are set up at our data center and monitored 24 hours a day, 365 days a year by CTC TECHNOLOGY.

Based on the Japanese government's Cloud-by-Default Principle,* the Ministry of the Environment considered the use of Cloud services to enhance remote work methods and communication systems that do not hinge on direct contact.

Based on the customer's request, we provided total services covering design, construction, transfer, maintenance, and operation of systems, including disaster recovery measures, and

established a remote work environment for all employees on a secure network connecting the Ministry of the Environment's headquarters and 122 regional offices across Japan, while enhancing the security of this system.

We will continue to expand our services to help people work securely in remote work environments and contribute to the Ministry of the Environment's efforts to improve operational efficiency and promote new ways of working.

* Principle that makes the adoption of Cloud services the default (first choice) in government information systems from the perspective of cost reduction and flexible increase/decrease of resources. (Stipulated in the Basic Policy for the use of Cloud Services in the Government Information System in the Standard Guidelines for the Promotion of a Digital Society issued by the Digital Agency)



Regional Environmental Office, Ministry of the Environment
(in Japanese only)

<https://www.env.go.jp/region/>

Realizing the Significance of My Role through Negotiations in My Fifth Year

Takumi Yoshizawa
Higashi-Nihon Sales
Department No.1



Since joining the Company in 2017, I have been working as a sales representative for a customer in the central government administration.

This project involved the construction of a large-scale system that is used daily by all employees of the Ministry of the Environment and meets strict security standards. We took advantage of our multi-vendor capabilities to combine products from over 30 vendors. As a sales representative, I have been responsible for not only proposals but also for negotiating with vendor personnel and other stakeholders, monitoring the status of projects, and presenting policies.

That is why I was so delighted when the system was launched. Being in charge of such a large-scale project in just my fifth year with the Company was a valuable experience, and I take to heart the significance of being able to engage in a system that is necessary for running a country.

While I had experience in programming from studying industrial engineering at university, since joining the Company, I have been working to acquire IT-related qualifications each year and conversing with system engineers to develop the skills necessary for making proposals.

Going forward, I will strive on a daily basis to continue to propose the best solutions to our customers' issues and to be able to promote projects from the same vantage point as SEs.

Message from the Executive Officer in Charge

Contributing to the Innovation of Local Communities That Will Drive the Country's DX

The Regional & Social Infrastructure Group serves customers in the social infrastructure sector throughout Japan, as well as central and local government agencies, educational institutions, regional banks, and serves companies with headquarters outside the Tokyo metropolitan area. Our customers face a wide range of issues, including the declining birthrate and aging population, the outflow of young people to urban areas, and the stagnation of local economies that result from the hollowing-out of industries through these issues. They also face a number of other challenges due to the COVID-19 pandemic, such as the need to promote diverse and flexible ways of working. By addressing these issues through the use of cutting-edge technology, we will concentrate on supporting regional development and contributing to the innovation of local communities that will steer the country's DX efforts forward.



Hirohito Ohashi
Managing Executive Officer
COO, Regional & Social Infrastructure Group

Aiming to Become the Leading Solution Provider in Regional Businesses

The Regional & Social Infrastructure Group boasts knowledge and expertise in all of the industries that we serve throughout Japan. We will promote our customers' DX businesses and aim to become the leading solution provider in all regions. To that end, we will combine our regional axis, in which we engage closely with our customers in each region from Hokkaido Prefecture to Okinawa Prefecture; our industrial axis, in which we utilize our knowledge of various industries, including central agencies, public sector, local governments, educational institutions, regional banks, electric power companies, railway companies, postal service companies, and general corporations; and our technological axis, in which we draw on CTC's unique advanced technologies and the skills we have acquired through our industrial approach.

We will link and combine our technologies and knowledge and swiftly respond to the diversifying issues and needs of businesses, such as the need to revitalize local communities and support regional innovation, by enhancing the strengths of our regional, industrial, and technological approaches. In doing so, we will contribute to the development of our customers' businesses and continue to expand our own business.

Strengths, Issues, and Risks in the External Business Environment

Strengths

- Large-scale system integration capabilities acquired in the social infrastructure sector
- Structure to collaborate with partner companies of each region
- Business know-how gained from our broad customer base
- Expertise in AI and other leading-edge technologies

Issues

- Increasing the efficiency of our management to cope with a broad field
- Development and securing of advanced IT personnel

Risks in the External Business Environment

- Reining in of IT investment due to the economic slowdown
- Shortage of IT personnel due to working population decline

Fiscal 2022 Initiatives and Results

Recognizing the urgency with which we must enhance our ability to propose solutions to the issues of local communities, we have strengthened relationships with key customers and local governments through personnel exchanges and by sharing knowledge on an organizational basis and continuing to flexibly deploy personnel and conduct various training programs. These efforts proved to be a success, as we acquired projects in a wide range of industries, including local governments, electric power, construction, and manufacturing.

We received new orders for information system upgrades from customers, including local governments, as well as for XaaS projects, ranging from the construction to maintenance of common infrastructure for customers in the railroad and transportation industries. As a result, in addition to upselling Cloud services, we have built a successful track record that contributes to the enhancement of CTC's presence. While collaborating with the Global Business Group, we are supporting the automotive manufacturing industry in improving operational efficiency at business sites in Asia and Latin America and assisting in the design and construction of production bases.

We focused on developing human resources with not only the knowledge of advanced technologies but also the ability to identify regional and social issues through reciprocal secondments with key customers and local governments and the strengthening of employee collaborations by means of industry-academia partnerships.

We worked to strengthen measures to maximize the abilities of our human resources by flexibly allocating system engineering human resources between other business groups through information sharing, introducing a mechanism to improve communication, and launching cross-divisional activities for each industry.

Initiatives for Fiscal 2023

- Enhance our provision of solutions for the DX and LOB domains in line with the strategies and issues of key customers
- Utilize the tangible and intangible assets we have accumulated to strengthen existing projects with major clients, acquire new projects, and pursue entry into untapped domains
- Form new business partnerships and strengthen collaborations in order to improve and refine technological capabilities and acquire new customers

Accelerate

- Further improve and refine technological capabilities with a focus on design and construction capabilities for hybrid and multi-cloud operations, in anticipation of the increased adoption of the Cloud by private companies and local governments
- Expand revenue opportunities by building a successful track record through solid relationships with new business partners

Expand

- Comprehensively expand the number of engineers, who are the source of our technological capabilities, including through external recruitment
- Improve profitability by increasing the added value of our engineering services
- Revitalize workplace environments by providing training programs and actively sharing information to improve communication between and within divisions and industry-related knowledge

Upgrade

Leveraging Our Strengths to Create Value on the Front Lines
Business Group Initiatives

Financial Services Group

Target Customers

Megabanks, government-affiliated financial institutions, credit card companies, insurers, securities firms, etc.

PICK UP!

Creating Value and Facilitating Corporate Change with Data Management Platform Building and DX Internalization Support

Relevant material issues
Relentless pursuit of advanced technology

“Creating a sustainable future through the power of investment” is the corporate message of Asset Management One Co., Ltd. It aims to be the most trusted asset management company for its clients by offering products and services of the highest caliber. While advancing DX, the company introduces systems that help make products more sophisticated and improve operational productivity through data utilization, and trains IT personnel.

CTC supports the company's DX initiatives by designing and

building a data management platform that collects and analyzes data using multi-cloud technology. This platform enables the rapid and secure utilization of data both within and outside its organization. In addition, CTC provided DX personnel training services and DX study sessions for cultivating DX culture.

We will continue to support Asset Management One in the realization of data-driven management that facilitates the creation of new business models.



Yurie Ito

Financial Services Development
Department No. 1

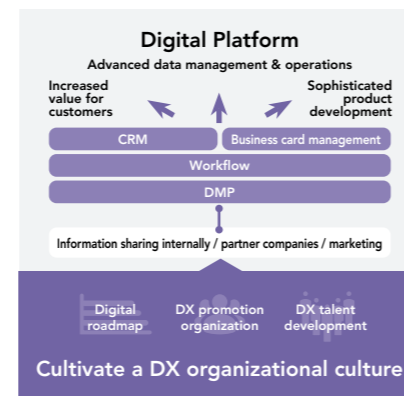
Professionals Everywhere

What I Learned in the Unfamiliar World of Asset Management

For approximately two years until the end of May 2022, I was seconded to Asset Management One Co., Ltd. This coincided with the period when the company began to focus on data-driven management and embark on digital transformation (DX).

In my first year, my job included drafting the DX roadmap and introducing multiple SaaS solutions in sales divisions that have institutional investors as customers. Specifically, the company switched to Salesforce for CRM and linked the account-opening processes to Salesforce. I also worked on the company-wide rollout of this solution. In addition, I was involved in the introduction of SanSan and Box. In my second year, my job shifted more toward operations and maintenance. I was responsible for hosting study sessions on AI chatbots, for example, and implementing new features in the services we had introduced.

Prior to this assignment, I had been involved in new development projects for banking data aggregation platforms within the financial services group, and had no experience on the asset management side. It was only after my assignment that I realized the company is filled with professionals in research, market analysis, economics, and systems. From CTC's perspective, Asset Management One is a customer. Being directly exposed to customer needs and being able to take action on the spot was an invaluable experience for me.



Ryuta Ojima

Business Innovation & Digital
Transformation Group
Digital Innovation Department

Power of Teams Built on Open and Free-Spirited Discussions

In our business dealings with Asset Management One Co., Ltd., we were able to swiftly provide optimal solutions suited for modern times by drawing up a DX roadmap from scratch and concurrently implementing several Cloud services. Running numerous projects in parallel, we advanced the implementation of the solutions while working with the customer to respond to a multitude of inquiries.

In the areas I covered, we adopted agile development practices and frequently conducted sprints and reviews of plans while talking directly with customers. Pursuing agile development in tandem with the customers proved effective. Over the course of two years starting in July 2021, there were very few differing opinions or misunderstandings regarding the deliverables. We were also able to openly solicit suggestions for improvements.

Within the development team, I felt the importance of morale boosts. By having team members themselves evaluate and plan, and by engaging in open and candid discussions as a group, I believe we were able to make sound collective decisions. This project was a rewarding experience for me, reaffirming the importance of team-based development.

Message from the Executive Officer in Charge

Maintaining and Expanding Existing Markets While Reaching New Customers

We are aggressively pursuing horizontal business development by leveraging our strengths derived from our expert knowledge of financial markets, risks, and laws and regulations. We support the business development of our customers with speed and flexibility, packaging solutions together through Cloud-native development. In addition to our existing strengths in infrastructure design and construction, we will reach out to new customers and continue to support business growth in the financial industry.

Creating New Solutions for Customer DX Projects and Added Value Enhancement

In response to business changes and growth in the financial retail sector, we will support our customers' offensive DX initiatives by developing AI-powered solutions in the multi-channel and data utilization domains. In the realm of workstyle reforms, we will deploy new technologies, including zero trust security, to contribute to safe and secure business continuity as a part of our customers' defensive DX initiatives.



Toshiyuki Awai

Managing Executive Officer
COO, Financial Services Group

Strengths, Issues, and Risks in the External Business Environment

Strengths

- Ability to develop applications in market-related and risk-related fields with extensive track record working with major financial institutions
- High-quality system integration capabilities gained through utilization of Cloud computing and virtualization technologies
- Retail finance insight gained through development of settlement service and contact centers
- Global network that supports financial businesses in North America, Europe, and the ASEAN region

Issues

- Adaptation to the pace of change in financial IT technologies and acquisition of human resources capable of creating new business models
- Recruitment of engineers with advanced technological capabilities

Risks in the External Business Environment

- Cuts in IT investment at customers due to geopolitical risks

Fiscal 2022 Initiatives and Results

CTC advanced projects focused on building data management platforms that help its customers increase operational efficiency. Additionally, we strengthened zero trust security by expanding offered services. Progress was also made in collaboration and co-creation with vendors and DX partners that have new technologies, as we accumulated insights in digital marketing and DX consulting.

There was an increase in projects for building out IT infrastructure and Cloud platforms. CTC also built safe and secure remote work environments as workstyles changed.

Business expanded on a global scale, including the construction and modification of information systems at the overseas locations of financial institutions.

CTC also entered into a contract for offering solutions developed by Deep Instinct Ltd., an overseas vendor of the Financial Services Group.

We established a dedicated team for recruiting career professionals and worked tirelessly to secure talent.

Furthermore, we strengthened the overall organizational structure by accumulating expertise and know-how in priority domains through collaboration with partners.

Initiatives for Fiscal 2023

- Create new strengths by promoting AI-driven digital marketing and enhancing sophistication of solutions
- Create new Cloud-native packaged services and expand services from a global perspective
- Launch ESG data services

Accelerate

- Continue to expand Cloud business, focusing on system building and platform modifications
- Strengthen Cloud-native application development capabilities

Expand

- Cultivate high-value-added engineers with an eye on developing new businesses and solutions in areas like Cloud-native, security, and digital marketing
- Continue to acquire talent and fine-tune systems for placing the right person in the right job

Upgrade

IT Services Group

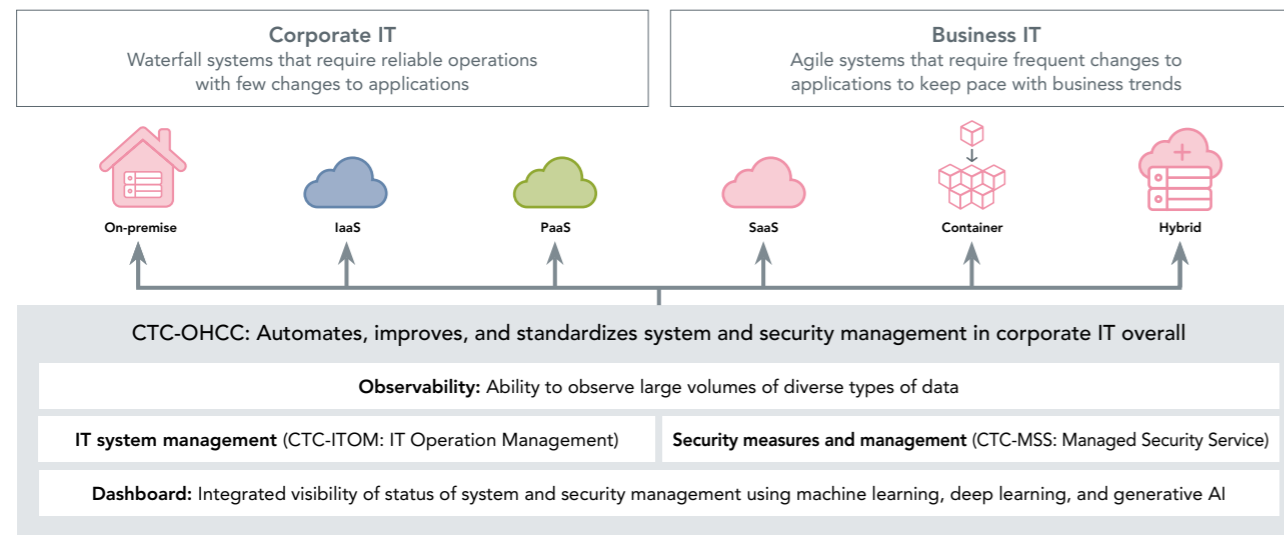
PICK UP!

CTC Open Hybrid Control Center (CTC-OHCC), Integrated Managed Services for Integrated Management of IT Systems and Security, an Essential Aspect of Corporate IT

Relevant material issues
Relentless pursuit of advanced technology
Promote business co-creation with various partners

Corporate IT environments are increasingly becoming hybrid Cloud environments. While there is a mix of positives of on-premise and Cloud-based computing resources, setting, managing, operating, and securing such hybrid Cloud environments can be a complex challenge. CTC-OHCC facilitates the integrated management of IT systems and security, enhancing visibility of overall hybrid Cloud environments by using observability tools. Each year, there is an increasing mix of IT systems that

require reliable operations with few modifications, and IT systems that require frequent changes to keep pace with business trends. By incorporating site reliability engineering (SRE), a methodology and approach to the best way of managing high-frequency changes to systems, we are further improving the quality of hybrid Cloud environment management. With this, CTC is able to simplify and secure increasingly complex and advanced corporate IT environments.



Aiming to Solve Major Issues Shared by More Than 2,000 Customers

OHCC is the unified, integrated management both of IT systems and security for the varied and diverse services offered through the "OneCUVIC" hybrid Cloud environment.

CTC has focused efforts on the development of "OneCUVIC," but a service did not exist for the integrative management of the individual services in each domain. Since the beginning of 2022, CTC began to examine the concept and inner workings of OHCC, and took nearly a year to release the first version of it.

As use of the Cloud gains traction, the need for security has also increased. There are many companies that excel at managing either Cloud or security services, but the market needs companies able to integrate both. OHCC has been studying the requirement to achieve integrated operation of IT systems and security.

Hybrid Cloud environments are likely to become mainstream in corporate IT for the foreseeable future, with some fluctuations in the on-premise versus cloud ratio. IT systems are constantly evolving while accepting trade-offs between convenience and security, but they must be managed safety and security. In order to more effectively utilize the Cloud, IT systems will become Cloud native, and this will require a different style of management. CTC has more than 2,000 corporate customers that use its Cloud services and security services. Given that our customers are moving toward hybrid Clouds in earnest, we anticipate a major swell of which we have not experienced before. Please stay tuned for future developments at OHCC.

Takahiro Ueda
Managed Services
Engineering Department



Message from the Executive Officer in Charge

Fiscal 2023: Aiming for leap in growth of "OneCUVIC"

We moved forward with our systematic reorganization in fiscal 2022, we now have a more solid picture of our future areas of focus. "OneCUVIC" continues to advance by leaps and bounds.

- Strengthen competitiveness of "OneCUVIC" by using AI (AI transformation)
- Improve productivity of system integration by evolving Cloud native initiatives
- Incorporating quantum computers into OneCUVIC to accelerate their dissemination to society and businesses
- Contribute to solutions for social issues by participating in medical Big Data projects

As the CMSO (Chief Managed Service Officer), I will strive to make the managed services of the CTC Group more sophisticated.



Eiji Haraguchi
Senior Managing Executive Officer
COO, IT Services Group; CMSO

Fiscal 2022 Initiatives and Results

Promote open hybrid Cloud "OneCUVIC" strategy

(1) Systemized and visualized "OneCUVIC" services

We systemized services and integrated management, from the infrastructure layer to DX, GX, and SX layers. This visualizes CTC's readiness for hybrid Cloud environments and areas for future enhancement.

(2) Launched OHCC

With SRE as the basic concept, we have started providing managed services for integrated operation and management of increasingly complex hybrid Cloud environments.

(3) Advanced Cloud native

We established a service to help customers launch and operate Cloud native services, while understanding their current conditions and issues in their transition to cloud native applications.

(4) Reinforced security

We augmented managed security services, centered on CTC-SOC. CTC released managed services for internet threat intelligence and endpoint security.

(5) Global development

CTC began to offer "OneCUVIC" on IBM Cloud, enabling the provision of "OneCUVIC" through IBM's datacenters to Japanese companies with a global presence.

Initiatives for Fiscal 2023

Promote open hybrid Cloud "OneCUVIC" strategy

(1) AI transformation: AI x Managed Services

We will proactively apply AI Ops, including machine learning, to improve the quality and productivity of managed services.

(2) AI transformation: Generative AI x Security

We aim to further enhance CTC-SOC's security analysis capabilities and alleviate burdens on customers by promoting the use of generative AI.

(3) AI transformation: Generative AI x IaC

We will promote the use of generative AI to enable more engineers to quickly and reliably build infrastructure in the Cloud using Infrastructure as Code (IaC).

(4) Cloud native

We aim to improve productivity in system integration by creating libraries of code, such as using containers and IaC, generated through customer projects.

(5) Healthcare

We will realize the provision of personalized and attentive healthcare services by promoting the integration of usage environment for personal health records (PHR), which also lead to the sustainability of social security.

(6) Quantum computing and quantum-resistant cryptography

We will accelerate the provision of quantum computing environments, along with applications, managed services, and personnel training courses. We are also taking steps to prepare for the security threats posed by quantum computing.

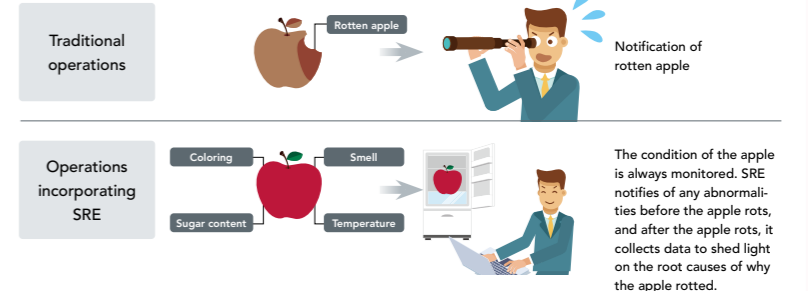
Expand

Term Explanation:

What does "operations incorporating SRE" mean?

Traditional systems and services focus on post-mortem responses when services fail because they do not change much over extended periods. With the increased adoption of Cloud computing, however, systems and services have evolved to have close ties with business operations, resulting in more frequent rollouts of new services or additional functions. Against this backdrop, such systems and services are increasingly adopting site reliability engineering (SRE) practices in their operations. The focus of SRE is to increase the reliability of services by automating and standardizing the analysis of and fixes for root causes in service failures in order to detect early signs of potential failures and prevent them from occurring.

Differences between traditional operations and operations incorporating SRE



Global Business Group

PICK UP!

Promotion of Japan-U.S. Collaboration to Realize CTC 5.0 Aimed at Creating New Business

Relevant material issues
Relentless pursuit of advanced technology
Promote business co-creation with various partners

CTC has launched the North America Partnership Program (NAPP) with the aim of co-creating with market-leading startups in North America. At the end of fiscal 2022, CTC became a limited partner (LP) in OSS Capital, a U.S. venture capital firm that scouts out cutting-edge startups.

NAPP serves as a framework for achieving our next stage, CTC 5.0. It is a collaborative initiative involving our U.S. subsidiary, ITOCHU Techno-Solutions America, Inc., and our Business Innovation & Digital Transformation Group. We have formed a

team of approximately 10 members from both Japan and the U.S.

Having dispatched personnel to Silicon Valley since the 1990s, CTC has established a track record of scouting market trends in the latest technologies, as well as discovering promising services and products. We aim to enhance this function in order to bolster intellectual capital that supports CTC's future business endeavors and also drive alliances with cocreation partners and search for cutting-edge technologies.



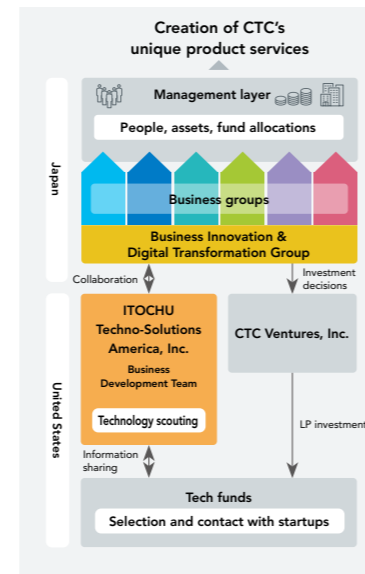
Kouki Takahashi
ITOCHU Techno-Solutions
America, Inc.

Selective Focus on Companies and Technologies Advanced in U.S. Market Keen Eye for Cutting-edge Innovations to Bring to Japan

The business development team at ITOCHU Techno-Solutions America, Inc. is responsible for overseeing NAPP in the United States.

The business development team primarily focuses on discovering and promoting products and services that are already well-established in the United States, but have not yet penetrated the Japanese and ASEAN markets. This business model involves not only moving quickly to sell such products and services in the Japanese market, but also comprehensive proposals for their operation and maintenance. With the current NAPP initiative, a new business model for creating intellectual capital was added to CTC by partnering with companies in the United States that have cutting-edge technologies still in the initial stages of business development. With this, we can move forward with technologies that had previously been considered "too early for Japan." A team has been established in Japan to explore the commercialization of these cutting-edge technologies, facilitating negotiations with individuals and start-up companies with advanced technologies.

While the total amount of venture capital investment in the United States is projected to decrease by approximately 35% this year, investment selection has advanced, with funds focusing on generative AI in particular. Companies that are able to secure investment in this market environment invariably possess technical advantages. This year being my fifth stationed in the United States, and having had spent many years working to bring overseas products to the Japanese market, I find NAPP to be a completely new challenge and more rewarding than ever.



Tomohiro Igarashi
Business Innovation & Digital
Transformation Group
DX Planning & Administration
Department



Adding In-house Development to Existing Business Boost from LP Investment

NAPP aims to create unique intellectual capital for CTC. It involves sketching out business models based on cutting-edge technologies discovered in North America. This process includes CTC utilizing these technologies as well, and can be described as CTC's own attempts at open innovation to possibly create new businesses itself.

If the U.S. team serves as the pitcher, serving balls of information after communicating with venture capital funds and start-up companies, then we, the Japan team, play the role of catchers. While a small team of fewer than 10 members across Japan and the United States, I am the coordinator of the Japan-side team.

OSS Capital is a tech fund specializing in the seed round of startups. We have already started receiving information about startups from our pitchers in the United States. Along with corporate information about investment candidates, auxiliary information can also be promising, so we have initiated a process for examining collaboration that involves other internal organizations. While CTC has been discovering new startups for many years, we are now feeling encouraged by our LP investment as a new sourcing channel.

Message from the Executive Officer in Charge

Enhancing Our Global Quality Delivery Capabilities and Expanding Global Super Accounts

The Global Business Group aims to expand revenue by deploying business models developed in Japan to overseas operating companies. Utilizing our vendor relations, which is also a strength at our overseas operating companies, we are committed to delivering services based on CTC's quality standards.

We have also identified customers that have multinational businesses as Global Super Accounts, and with CTC's quality standards, we support their IT investments in Japan, North America, and ASEAN countries with coordinated efforts across our group locations. We will further expand such initiatives.

Strengthening Discovery Capabilities Overseas and Exploring New Partners

The Global Business Group contributes to expanding added value for its customers in the ASEAN region and Japan by searching for advanced technologies and new products in North America and Asia. In addition to new technologies and products, we will also advance co-creation with partners that possess innovative business models and intellectual capital.

Executing Initiatives to Strengthen Profitability in Overseas Business

CTC operates overseas businesses primarily in the ASEAN region, including Malaysia, Singapore, Thailand, and Indonesia, as well as in North America. While recovering from the impact of COVID-19, we acknowledge the uncertainties ahead, such as inflationary pressures, rising interest rates, and geopolitical risks around the world. While business environments vary by country, we sense a strong propensity for IT investment among our customers. We aim to latch onto this momentum and strengthen the earnings power of our overseas operating companies by reinforcing recurring business, expanding the managed services business, and entering growth markets through co-creation with external partners and vendors.



Kiyoshi Imagawa
Managing Executive Officer
COO, Distribution Group
COO, Global Business Group

Fiscal 2022 Initiatives and Results

In anticipation of future expansion of managed services in the ASEAN region, we have worked together with CPMO to develop products in the security, Cloud, and data management fields. Furthermore, we are developing new features through strengthened collaboration with ITOCHU Techno-Solutions America, Inc. and CMSO. CTC continues to conduct market research in Shenzhen, China, explore new business models in North America, and develop new products and services through venture capital investments.

The Global Business Group has steadily carried out upstream systems integration and infrastructure construction at its customers' plants and bases in Asia, as a part of expansion in Global Super Accounts that provide support to customers through cross-regional collaboration in Japan, Asia, and the United States. Deepening sales activities with local companies, we have successfully expanded orders by leveraging our strengths in managed services and vendor relations. With an eye on future service development, we are improving cooperative systems with vendors tailored to each country's market.

The Global Business Group bolstered its business management structure through reorganizing and rebuilding business process, profit management process, and customer management system at each base. Security measures at individual companies have been enhanced, taking inspiration from information security initiatives undertaken in Japan.

Furthermore, we continue to cultivate global talent through new hires both locally and in Japan, and by dispatching personnel to venture companies in which we have invested.

Initiatives for Fiscal 2023

- Initiate strategies to strengthen Japan-U.S. collaboration for realizing CTC 5.0, and support the development of original CTC services like the observability business
- Continue to enhance R&D functions in Cloud, security, and data fields
- Identify vendors with advanced technologies and new business models, and invest in their businesses

Accelerate

- Acquire new Global Super Accounts by strengthening domestic sales and business development activities, expand transactions with existing customers
- Expand Cloud, infrastructure solutions, and application businesses, and introduce new services in tune with characteristics of each ASEAN market
- Broaden service offerings through stronger relationships with North American vendors

Expand

- Ongoing review and improvement of management structures for overseas operating companies, and reinforce capital policy
- Acquire and train CTC global talent through internal recruitment, mid-career hiring, and secondments from cooperative companies, strengthen Global Business Group's Organizational structure.
- Expand educational and training programs for locally hired employees at overseas operating companies

Upgrade

Business Innovation & Digital Transformation Group

PICK UP!
Generative AI Project for ASAHYAKI in Collaboration with Qosmo, Inc. and ASAHYAKI

 Relevant material issues
 Relentless pursuit of advanced technology

CTC launched a proof-of-concept experiment in November 2022 that uses AI models to generate new designs for ASAHYAKI, a traditional kind of pottery from Uji in Kyoto that has a history dating back approximately 400 years to the Keicho era. ASAHYAKI is one of the Enshu Seven Kilns (a list of Japanese pottery kilns whose products were considered among the favorites of the Japanese tea ceremony master Kobori Enshu) that have existed since the early Edo period, and is currently used primarily to produce Utsuwa (containers) for tea ceremonies and Utsuwa for steeping sencha and gyokuro teas.

Since 2022, generative AI technologies capable of creating images and text, such as Stable Diffusion and ChatGPT, have been rapidly gaining traction. At CTC, we quickly began applying generative AI technology to solve social issues, and have been promoting the NeuCraft project as an initiative to utilize

generative AI technology in traditional crafts. This project is the first of its kind and is being carried out in collaboration with Qosmo Inc., known globally for its creative use of AI, as well as the ASAHYAKI.

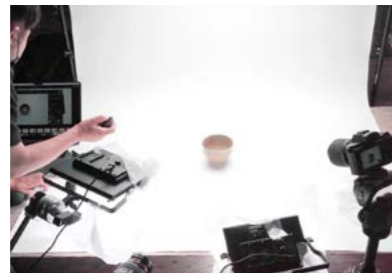
In the proof-of-concept experiment, we began by looking for AI technologies suitable for generating ASAHYAKI designs. After collecting and processing training data, we began to build a generative AI model. While aiming to construct an AI model that can generate new designs inspired by ASAHYAKI from past eras or designs based on specific keywords, we ultimately plan to create and publicly release actual pottery pieces.

Based on our track record in building systems that utilize generative AI for companies in the manufacturing and service sectors, we will continue to advance initiatives aimed at applying generative AI technology in various fields.

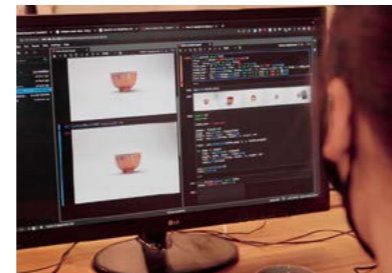


ASAHYAKI pottery from the Uji in Kyoto area carry on traditions from the Keicho era

For more information about NeuCraft, please visit the following link:
<https://neucraft.ai/>



Data collection using photographs of historical pottery pieces



Create generative AI model trained on photograph data with deep learning algorithms

**400 Years of Tradition with Kirei Sabi
AI Inspires Craftsmen in New Works of Art**
Kenta Watanabe
 AI Business Department


The ASAHYAKI project began with photography, capturing images of 1,000 pieces of pottery created by ASAHYAKI, from the first generation to the current sixteenth generation, represented by Mr. Housai Matsubayashi. Professional photographers took pictures from three different angles—front, upper diagonal, and top—and this image data was then fed into the AI training system.

Our goal is to generate designs that could serve as inspiration for new works created by Mr. Matsubayashi. We set parameters for shape, color, and texture, and deviation from past ASAHYAKI pieces to experiment with various design possibilities. Even within the category of ASAHYAKI pottery, such characteristics differ depending on the era, so the “ASAHYAKI-ness” of the generated designs are left to the judgment of Mr. Matsubayashi. Going forward, we aim to create designs that inspire ASAHYAKI creations using on language-based instructions, such as “create a design that resembles the works of a certain generation.”

The aesthetic feeling at the core of ASAHYAKI is known as “Kirei Sabi,” a worldview that has long been representing a simple yet glamorous beauty and elegance. The challenge of utilizing AI, arguably the symbol of the latest digital technology, to “Kirei Sabi” represents a true fusion of traditional and modern technologies. This project may well open up new horizons for CTC as well.

We will continue to contribute to not only the development of traditional crafts through the application of AI, but also to solutions for various social issues.

Message from the Executive Officer in Charge

Nagaki Fujioka

 Managing Executive Officer
 COO, Business Innovation & Digital Transformation Group
 and R&D in North America

Launch of New Businesses for Future Problem-Solving

In the Business Innovation & Digital Transformation Group, we are researching digital solutions for the vital social issues of labor shortages and carbon neutrality. We will focus such efforts in the business domains of smart towns (regional revitalization) and smart logistics / GX in order to realize a sustainable society.

Digital Support for All Customer Transformation

We support our customers' digital transformation (DX) initiatives with AI and IoT and also help create new businesses through co-creation with them. The Business Innovation & Digital Transformation Group aims to be a DX partner that accompanies its customers to help them succeed in their DX initiatives.

Discovering and Promoting Collaboration with Co-creation Partners

We manage the Corporate Venture Capital (CVC) structure, investing in and promoting collaboration with venture partners to create new businesses, while building relationships and discovering new technologies with venture firms through investments in domestic and international venture funds.

Fiscal 2022 Initiatives and Results
Launch of New Businesses for Future Problem-Solving

In collaboration with TAKADA Co., Ltd., we are moving to launch a DX business that utilizes a comprehensive logistics platform for shippers, consumers, and delivery service providers to efficiently offer joint delivery services. We have also conducted pilot tests for providing community transportation services (MaaS) in Nogata City, Nasu Town, Sukagawa City, and Nagasaki City.

Digital Support for All Customer Transformation

The Business Innovation & Digital Transformation Group has launched DX Pit-In, an assessment and planning service for supporting the restart of DX projects for business model transformation and service enhancement. The Business Innovation & Digital Transformation Group has also entered into a business partnership agreement in the field of optimization technology with LTS Inc., with the aim of further strengthening AI-related service businesses.

Discovering and Promoting Collaboration with Co-creation Partners

We operate CTC Innovation Partners, a corporate venture capital fund aimed at supporting the growth of start-up companies and encouraging business co-creation. Through CTC Innovation Partners, we searched for partner companies with strengths in cutting-edge technologies.

Initiatives for Fiscal 2023
Launch New Businesses for Future Problem-Solving

- Examine and launch new businesses that contribute to solutions for environmental issues by utilizing digital technologies, such as recycling logistics platforms and carbon credits
- In addition to MaaS operation businesses, we plan to develop initiatives that utilize various advanced technologies like NFTs (non-fungible tokens) and AR/VR with an eye on regional revitalization

Digitally Support All Customer Transformation

- Help customers launch new services and expand accompanying support services paired to business transformations by leveraging our design consulting, agile development, and IoT technology
- Plan to develop various services to support business use cases for generative AI, such as ChatGPT

Discover and Promote Collaboration with Co-creation Partners

- Promote co-creation business with overseas technology venture companies through investments in leading venture capital funds overseas, especially in North America.

Accelerate

Leveraging Our Strengths to Create Value on the Front Lines

Major Domestic and Overseas Group Companies

Domestic

Maintenance and operations service business

CTC TECHNOLOGY CORPORATION

System Maintenance and Support Business

CTC TECHNOLOGY CORPORATION provides a range of services including building, installation, and transition of system environments, and 24-hour maintenance. This company also offers comprehensive training services for IT engineers, and systems integration and operation services across on-premise, Cloud, and/or hybrid environments. It contributes to the continuity of its customers' businesses and supports the society of the future with IT.

CTC SYSTEM MANAGEMENT CORPORATION

System Operations and Support Business

CTC SYSTEM MANAGEMENT CORPORATION engages in business that emphasizes customer interactions, centered on systems operations and maintenance. It trains and provides human resources that connect IT systems to people, as well as people to people. Responding to diversifying systems, this company builds and operates a broad range of infrastructures, including Cloud, security and 5G, implements operations middleware that supports these infrastructures, and can also engage in nimble development from no-code to pro-code environments. Connecting people to technology, CTC SYSTEM MANAGEMENT CORPORATION will maintain the necessary presence for the operation of IT systems.

CTC FACILITIES CORPORATION

Data Center Facility Management Business

This company's main businesses are facility management, operations, construction and supervising, centered on data centers. While maintaining reliable operations of data centers, which are key social infrastructure, CTC FACILITIES CORPORATION is focusing on expanding sales of Facility Integration Services, which represent all of its accumulated experiences and know-how, through collaboration and partnerships with Digital Edge Japan, Kanden Energy Solution, and CTC front. In a first for Japan's data center industry, CTC FACILITIES CORPORATION obtained ISO/JIS Q41001 certification specifically for facility management. It will boldly take on challenges in the planning and development of new businesses and services, and contribute to the realization of a sustainable society.

Development of business tailored to clients and industries

Asahi Business Solutions Corp.

Asahi Business Solutions Corp. was established as an information systems subsidiary for Asahi Breweries. Since then, Asahi Business Solutions Corp. has provided optimal total solutions to each operation at the Asahi Group ranging from IT solutions planning, proposal, and development to maintenance and operation services. This company also employs cutting-edge technologies to support the Asahi Group's new growth strategies.

Solutions business using unique products

CTCSP CORPORATION

CTCSP CORPORATION supplies leading-edge and unique products from Japan and abroad. It also delivers solutions that meet contemporary needs, including those in areas of strength such as endpoint and network security, online communication, improvement of work efficiency, and image and content.

CTC's special subsidiary that employs people with disabilities

CTC HINARI Corporation

CTC HINARI Corporation provides various services for the CTC Group. It operates HINARI CAFÉ, provides massage services as a part of benefits packages, cleans offices, supplies office work proxy services, provides PC office support, and engages in agriculture-welfare collaboration projects in Hamamatsu City, Shizuoka Prefecture based on the HINARI MODEL. Collaborating with CTC, this company also provides AI data preparation services that help advance AI. It aims to explore new work areas with the aim of creating workplaces where diverse individuals can excel and always take on new challenges.

Overseas

Discovery and research of new technologies, SI business

ITOCHU Techno-Solutions America, Inc. (U.S.A.)

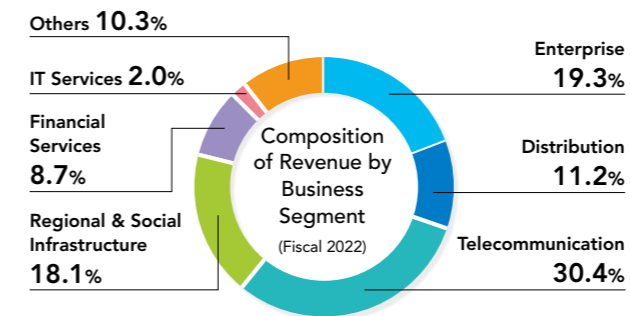
In North America, CTC not only engages in research of cutting-edge technologies, and discovers related new products, but also develops, maintains, and operates systems for financial institutions, and builds large-scale infrastructure foundations for internet service providers. To grow the SI business locally, CTC aims to expand activities in the North American region by forging partnerships with local system integrators and strengthening collaboration among business groups.

Global SI Structure in the ASEAN Region

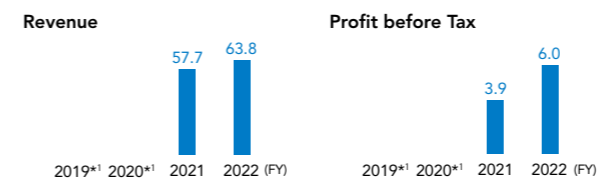
CTC GLOBAL SDN. BHD. (Malaysia)
CTC GLOBAL PTE. LTD. (Singapore)
CTC Global (Thailand) Ltd. (Thailand)
PT. Nusantara Compnet Integrator (Indonesia)
PT. Pro Sistimatika Automasi (Indonesia)

In Malaysia, Singapore, Thailand, and Indonesia, IT markets that are likely to see strong growth, CTC provides SI solutions focusing on infrastructure, as well as maintenance and operations services to local firms and Japanese companies. CTC has put in place a key regional structure for global business development, while training local engineers and deepening organizational collaboration, in addition to expanding the Cloud and security service businesses in a bid to grow further.

Business Segments At a Glance

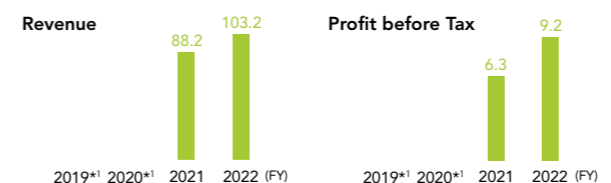


Distribution



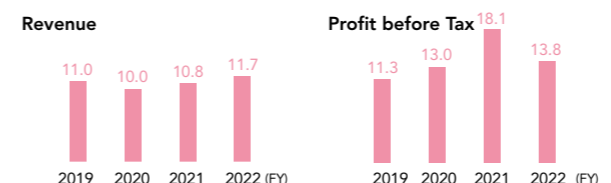
Factors Behind Changes in Fiscal 2022
Revenue rose due to an increase in development projects for distribution companies and infrastructure projects for entertainment companies

Regional & Social Infrastructure



Factors Behind Changes in Fiscal 2022
Revenue grew due to an increase in infrastructure projects for utility companies

IT Services



Factors Behind Changes in Fiscal 2022
Revenue increased but profit decreased due to the absence of one-off gains on the sale of data center assets booked last year

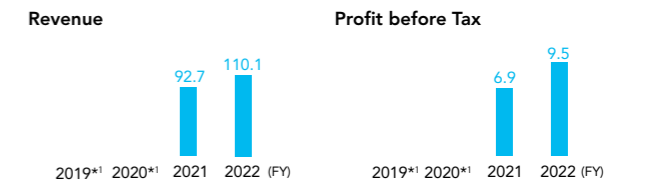
*1 The segment's revenue and profit before tax in fiscal 2019 and fiscal 2020 have not been included because a reorganization implemented on April 1, 2021, has made it difficult to compare fiscal 2019 and fiscal 2020 with subsequent fiscal years based on the same conditions.

*2 The segment's revenue and profit before tax in the financial statements for the said fiscal year have been included because the effect of a reorganization implemented on April 1, 2020, was minimal.

*3 A loss before tax was recorded in fiscal 2021 due to impairment losses recognized in connection with overseas consolidated subsidiaries in Indonesia.

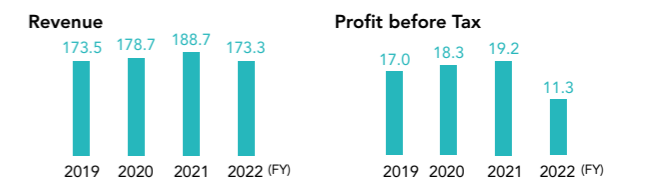
- Business segments and business units comprising the segment are as of fiscal 2022.
- Revenue represents revenue from transactions with external customers.

Enterprise



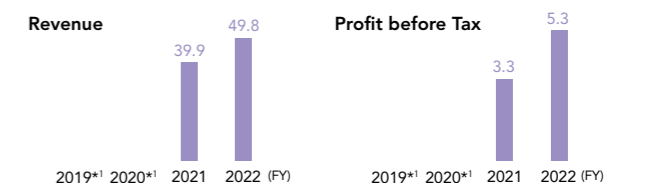
Factors Behind Changes in Fiscal 2022
Revenue grew due to improvement in business conditions at customers and an increase in digital shift projects related to DX

Telecommunication



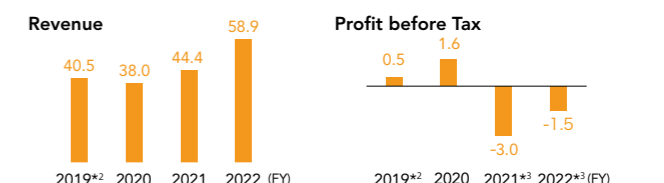
Factors Behind Changes in Fiscal 2022
Revenue fell due to a decrease in infrastructure projects for telecoms

Financial Services



Factors Behind Changes in Fiscal 2022
Revenue increased due to growth in infrastructure projects for megabanks, government-affiliated financial institutions, and cooperative financial institutions

Others



Factors Behind Changes in Fiscal 2022
Revenue rose due to higher revenue at overseas subsidiaries