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(Securities Code: 4743)

June 1, 2023

(Date of commencement of electronic provision measures: May 25, 2023)

Tsunenori Sato
President and Representative Director
ITFOR Inc.
21 Ichibancho, Chiyoda-ku, Tokyo, Japan

NOTICE OF THE 64th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified that the 64th Annual General Meeting of Shareholders of ITFOR Inc. (the “Company”) will be held for the purposes as described below.

Additionally, when convening this general meeting of shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the following website.

The Company’s website: <https://ir.itfor.co.jp/english/>

In addition to the website shown above, the Company also has posted this information on the following website on the Internet.

Tokyo Stock Exchange (TSE) website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, enter the Company’s name in the “Issue name (company name)” field or our stock exchange code “4743” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to view the information.

From the perspective of preventing further spread of COVID-19, we request our shareholders to consider the infectious situation of the day of the meeting to determine their attendance carefully.

Instead of the attendance, you can exercise your voting rights in writing or via the Internet.

Please review the attached Reference Documents for the General Meeting of Shareholders posted on page 6 through 14 and exercise your voting rights no later than 5:00 p.m. on Tuesday, June 20, 2023, Japan time.

We will stream the meeting live on the Internet to our shareholders (details are provided on page 5).

- 1. Date and Time:** Wednesday, June 21, 2023 at 10:00 a.m. Japan time
Reception starts: 9:00 a.m. Japan time
- 2. Place:** 12F, Ichibancho Tokyu Building
21 Ichibancho, Chiyoda-ku, Tokyo, Japan
(Please refer to the venue guide map at the end of the Japanese version of this document.)
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 64th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 64th Fiscal Year (April 1, 2022 - March 31, 2023)
- Proposals to be resolved:**
- Proposal 1:** Election of 5 Directors (Excluding Directors and Audit & Supervisory Board Members)
- Proposal 2:** Election of 3 Directors and Audit & Supervisory Board Members
1. No souvenirs will be provided to shareholders attending the meeting in person.
 2. On the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception of the meeting venue.
 3. If any amendments are made to matters subject to the electronic provision measures, such amendments will be posted on the respective websites where the matters are posted.

Information to Shareholders

<Measures to be taken by the Company>

In the venue of the General Meeting of Shareholders, depending on the circumstances of the day of the meeting, the Company will take preventive measures such as wearing of face masks by the operational staff of the meeting.

<Request to shareholders>

In order to prevent risk of infection, we recommend that shareholders refrain from coming to the venue in person and that exercise voting rights in writing or via the Internet, etc. this year, so far as circumstances allow.

<Request to our shareholders who will be coming to the venue>

For shareholders who will be coming to the venue, we kindly ask for your cooperation to take preventive measures, which include checking the condition of your health and wearing a face mask at the venue.

Guide to Exercising Voting Rights

Please be reminded that the online voting website and phone inquiry services are available only in Japanese.

Voting rights at the General Meeting of shareholders are important for all shareholders. Please refer to the Reference Documents for the General Meeting of Shareholders described in matters subject to the electronic provision measures and exercise your voting rights.

Voting rights can be exercised in the following three options.

In case that you are attending the meeting in person:

Please submit the enclosed Voting Rights Exercise Form at the reception of the venue.

Date and time: Wednesday, June 21, 2023 at 10:00 a.m. Japan time

Place: 12F, Ichibancho Tokyu Building,
21 Ichibancho, Chiyoda-ku, Tokyo, Japan
(Please refer to the venue guide map at the end of the Japanese version of this document.)

If you have a proxy to attend the Meeting on your behalf:

Please designate one proxy who has the voting rights for the Company. You are required to submit to the Company a written instrument evidencing the proxy's power of representation in advance of the General Meeting of Shareholders.

In case that you are exercising your voting rights in writing (by mail):

Please return the enclosed Voting Rights Exercise Form upon clearly indicating your approval or disapproval of each proposal.

Deadline for exercising voting rights: Your vote must reach the Company no later than 5:00 p.m. on Tuesday, June 20, 2023, Japan time

If you are exercising your voting rights via the Internet:

Please indicate your approval or disapproval of each proposal in the form on the voting rights exercise site and transmit your indication.

Deadline for exercising voting rights: Your vote must be entered no later than 5:00 p.m. on Tuesday, June 20, 2023, Japan time

How to fill out the Voting Rights Exercise Form

Please indicate your approval or disapproval of each proposal here.

If you approve all candidates

Circle "Approval"

If you disapprove all candidates

Circle "Disapproval"

If you indicate disapproval for certain candidates

Circle "Approval" for the candidate(s) you approve and indicate the number(s) of the candidate(s) you disapprove, or circle "Disapproval" for the candidate(s) you disapprove and indicate the number(s) of the candidate(s) you approve.

Handling of your voting rights

If you do not indicate "Approval" or "Disapproval" on the form, we consider that you agree with the proposal.

Guide to Exercising Voting Rights via the Internet and by Other Electronic Means

How to read the QR code using a smartphone, “Smart Exercise”

You can sign in the website for voting without entering the login ID and password.

1. Please read the QR code printed on the lower right of the Voting Rights Exercise Form.

* The QR code is a registered trademark of DENSO WAVE INCORPORATED.

2. Please follow the instructions on the screen.

You can exercise your voting right once for each proposal by “Smart Exercise”

If you want to change the voting content, please access the PC site and sign in by inputting the voting rights exercise code and the password written on the Voting Rights Exercise Form to exercise voting rights again.

*When reading the QR code again, you will be guided to the PC site.

How to input the vote exercising code and the password

Website for voting rights exercise <https://www.web54.net>

1. Please access the voting rights exercise website.
Click “Next”.

2. Enter the voting rights exercise code written on the Voting Rights Exercise Form.
Enter the voting rights exercise code
Click “Log in”.

3. Enter the password written on the Voting Rights Exercise Form.
Enter the password
Click “Next”

4. Please follow the instructions on the screen.

Contact for inquiries related to exercising voting
rights via the Internet, such as how to operate your
PC or Smartphone

Stock Transfer Agency website helpdesk
Sumitomo Mitsui Trust Bank, Limited
Special Number: 0120-652-031 (Toll-free number)
Business hours: 9:00 a.m. - 9:00 p.m. Japan time

* If you exercise your voting rights in duplicate by mail and via the Internet, the exercised votes which arrive lastly will be treated as valid. If your exercised votes via the Internet and Voting Rights Exercise Form in writing arrive on the same day, the former will be treated as valid.

* If you exercise your voting rights via the Internet in duplicate, or exercise your voting rights in duplicate on PC and Smartphone, the lastly exercised voting rights will be treated as valid.

To institutional investors:

In addition to the exercise of voting rights via the Internet stated above, only when the advance application is made, institutional investors may use the Electronic Voting System Platform operated by ICJ, Inc.

Guidance for Live Streaming and Acceptance of Advance Questions

The 64th Annual General Meeting of Shareholders will be live streamed via the Internet. Questions are accepted in advance of the meeting via the Internet. Please take advantage of these opportunities.

Live streaming information

Instead of attending the meeting in person, you will be able to watch the meeting via the Internet from your home.

As exercising voting rights are not allowed on the live streaming, shareholders planning to watch the live streaming are kindly invited to exercise the voting rights beforehand in writing or via the Internet (Smartphone or PC).

Date and time of streaming	From 10:00 a.m. on Wednesday, June 21, 2023, Japan Time *You will be able to watch the meeting from 9:50 a.m.
How to watch	Access the following website and enter your ID and password.

Acceptance of advance questions

Your questions for the Company's management are received on the dedicated website prior to the 64th Annual General Meeting of Shareholders.

Any matters of high interest to shareholders will be covered at the meeting.

Period of acceptance	From 9:00 a.m. on Thursday, June 1 to 5:00 p.m. on Thursday, June 15, 2023, Japan time
How to submit a question	Access the following website and enter your ID and password. Describe your comment or question on the site.

Please access here for reception of live streaming and advance questions. <https://s.srdb.jp/4743/>

ID	Your shareholder number written on the enclosed Voting Rights Exercise Form (nine (9)-digit number)
Password	Your zip code of your registered address (as of the end of March, 2023) (seven (7)-digit number)
*Input your shareholder number of 7-digit number with a leading zero (0) and your zip code without a hyphen.	

For inquiries, please contact:

	TAKARA PRINTING CO., LTD.	
	0120-512-056	
How to View the live streaming	Business hours	9:00 a.m. to the end of the live streaming on Wednesday June 21, 2023, the day of the General Meeting of Shareholders

Notes

Live streaming

- When filming the place of the General Meeting of Shareholders for the live streaming, the Company will limit it to the image on the screen and the area where the Chairperson and Directors sit, in consideration of shareholders' privacy. However, shareholders in attendance may be photographed or filmed when unavoidable.
- Watching the live streaming is not recognized as formally participating in the General Shareholders Meeting under the Companies Act. Therefore, asking questions, exercising voting rights, and proposing a motion on the date of the meeting are not permitted.
- The following acts are strictly prohibited: Sharing the website URL for the live streaming with any third party; photographing, video recording, sound recording, storing, uploading on SNSs the live streaming, or other similar acts.
- Please note that the live streaming may not be provided or not be interrupted depending on the Internet environment, equipment and system troubles and other factors.
- The equipment you use or the Internet connection environment may cause deficiencies in movies and sound.
- Any fees to watch the live streaming, such as communication charges shall be borne by shareholders.
- Please note that the Company may not be able to provide the live streaming due to unavoidable circumstances. In such case, the Company will make an announcement on its website.

Acceptance of advance questions

- Any matters of high interest to shareholders will be covered at the General Meeting of Shareholders. However, we do not guarantee that all the questions will be answered.
- We will use for our future guidance advance questions unanswered at the General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders


Proposals and References


Proposal 1: Election of 5 Directors (Excluding Directors and Audit & Supervisory Board Members)


The terms of office of all five incumbent Directors will expire at the close of this General Meeting of Shareholders. It is proposed that five Directors be elected (excluding Directors and Audit & Supervisory Board Members).


Regarding this proposal, the voluntary Nomination and Remuneration Committee deliberated on the selection of candidates for Director, and election of Directors was determined by the Board of Directors based on the results of such deliberations. The Company has received the opinion from the Audit & Supervisory Board that all candidates for Director are qualified.


The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Tsunenori Sato (December 14, 1964) <u>Reappointment</u>	March 1998 Joined the Company June 2008 Executive Officer, Deputy General Manager of Solution Systems Division October 2009 Executive Officer, General Manager of Solution Systems Division June 2011 Director and Executive Officer, General Manager of Solution Systems Division April 2013 Director and Executive Officer, General Manager of Financial Systems Division I June 2016 Director and Managing Executive Officer, General Manager of Financial Systems Department May 2017 Director and Managing Executive Officer, General Manager of Financial Systems Division June 2017 Representative Managing Director and Executive Officer, General Manager of Financial Systems Division April 2018 Representative Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division June 2018 Representative Senior Managing Director and Executive Officer, General Manager of Corporate Strategy Department and Financial Systems Division April 2019 President and Representative Director, General Manager of Corporate Strategy Department April 2021 President and Representative Director (to present) (Significant concurrent positions) Director, ICR Co., Ltd. Director, CVC Co., Ltd. Director, Syddy Inc.	52,100
[Reason for nomination as candidate for Director] Mr. Tsunenori Sato has made significant contributions to the development and sales of systems for financial institutions such as regional banks in the systems business for financial institutions, which is a core business of the Company. Based on such abundant achievements and experience, he assumed office of President and Representative Director of the Company in April 2019. In the expectation that he will make important management decisions and appropriately fulfill supervisory functions in business execution, the Company has judged that he will contribute to achieve sustainable growth of the Company and enhance corporate value over the medium to long term, and is an appropriate person to be renominated as Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 <p>Koji Sakata (January 26, 1966)</p> <p><u>Reappointment</u></p>	<p>April 1987 Joined the Company</p> <p>June 2008 Executive Officer, General Manager of Software Systems Division I</p> <p>October 2008 Executive Officer, General Manager of Software Development Department</p> <p>June 2013 Director and Executive Officer, General Manager of Technical Support Division</p> <p>June 2014 Director and Managing Executive Officer, General Manager of Technology Development Department and Technical Support Division</p> <p>October 2015 Director and Managing Executive Officer, General Manager of Technology Development Department</p> <p>August 2018 Director and Managing Executive Officer, General Manager of Public Systems Division and responsible for Technology Development Department</p> <p>April 2019 Director and Representative Senior Managing Director, General Manager of Public Systems Division and Software Systems Division IV</p> <p>June 2019 Director and Representative Senior Managing Director, General Manager of Public Systems Division and Software Systems Division III</p> <p>April 2020 Director and Representative Senior Managing Director, General Manager of Technology Development Department and Software Systems Division II</p> <p>October 2020 Representative Senior Managing Director and Executive Officer, General Manager of Technology Development Department and Software Systems Division II</p> <p>April 2023 Representative Senior Managing Director and Executive Officer, General Manager of Technology Development Department and Software Systems Division I (to present)</p> <p>(Significant concurrent positions) Director, ICR Co., Ltd. Director, EeB Corporation Director, AISEL Corporation Director, ALPHA & SHIN-YO Corporation</p>	125,100
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Koji Sakata has leveraged his abundant experience as a system engineer and has contributed to the improvement of the quality of the Company's packaged software and increased customer satisfaction in the customer support business. He assumed office of Representative Senior Managing Director and Executive Officer in October 2020, and has made contributions to accelerating execution of business in the technical division and strengthening the management system and functions accompanying business expansion. The Company has judged that he will make use of his experience and knowledge in management, and is an appropriate person to be renominated as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 <p>Hirotaka Oeda (July 23, 1957)</p> <p>Reappointment</p>	<p>April 1981 Joined the Company</p> <p>June 2004 Executive Officer, General Manager of Osaka Office</p> <p>April 2005 Executive Officer, General Manager of Solution Systems Division</p> <p>June 2006 Director and Executive Officer, General Manager of Solution Systems Division</p> <p>June 2007 Director and Managing Executive Officer, General Manager of Solution Systems Division</p> <p>October 2009 Director and Managing Executive Officer, General Manager of Corporate Strategy Department</p> <p>April 2015 Director and Managing Executive Officer, General Manager of Financial Systems Division II</p> <p>June 2016 Director and Executive Officer, General Manager of Financial Systems Division II of Financial Systems Department</p> <p>May 2017 Director and Executive Officer, General Manager of CTI & Infrastructure Systems Division</p> <p>December 2018 Director and Executive Officer, General Manager of CTI & Communications Systems Division</p> <p>April 2020 Director and Executive Officer, General Manager of Communications & Enterprise Systems Division</p> <p>April 2021 Director and Executive Officer, General Manager of Corporate Strategy Department and Retail EC Systems Division (to present)</p> <p>(Significant concurrent position) Director, CVC Co., Ltd.</p>	178,700
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hirotaka Oeda has made significant contributions to the development of systems for servicers and non-banks in the systems business for financial institutions, which is a core business of the Company, as well as business expansion. He has fulfilled his duties appropriately based on such achievements and his experience and insight cultivated through striving for the supervision of the entire business as Director and Executive Officer, General Manager of Corporate Strategy Department. The Company has continued to judge that he is an appropriate person to be renominated as Director with expectation that he will drive further business expansion of the Group.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	 Katsuo Nakayama (May 9, 1965) <u>Reappointment</u>	October 1991 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) June 2003 Outside Corporate Auditor, the Company June 2010 Director and Executive Officer, General Manager of Administration Department (to present) (Significant concurrent positions) Representative Director, ICR Co., Ltd. Corporate Auditor, CVC Co., Ltd. Corporate Auditor, EeB Corporation Director, Syddy Inc.	75,100
[Reason for nomination as candidate for Director] Mr. Katsuo Nakayama has leveraged his experience of serving as Outside Corporate Auditor of the Company as a certified public accountant, and has supported the timely disclosure system and supervised Internal Auditing Division as General Manager of Administration Department of the Company since June 2010. In addition to such achievements, taking into consideration his experience and insight in promoting the expansion of the BPO business for local government and risk management as a responsible person of the subsidiaries, the Company has judged that he is an appropriate person to be renominated as Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 <p>Waka Abe (June 15, 1972)</p> <p>Reappointment</p> <p>Outside Director</p>	<p>March 2004 Joined SK-Electronics Co., Ltd.</p> <p>April 2013 Deputy General Manager, Corporate Strategy Office</p> <p>April 2014 Joined SHASHIN KAGAKU Co., Ltd.</p> <p>June 2014 Director, SHASHIN KAGAKU Co., Ltd.</p> <p>December 2019 Director, in charge of Business Development Office, SK-Electronics Co., Ltd. (to present)</p> <p>June 2021 Outside Director, the Company (to present)</p> <p>(Significant concurrent position) Director, SK-Electronics Co., Ltd.</p>	1,200
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Ms. Waka Abe has experience and insight in launching new businesses overseas and serving as Director of a business corporation. Accordingly, the Company expects that she will contribute to strengthening a function of supervising the Company's management by, for example, making strict and fair judgement about appropriateness of decision-making by the Board of Directors. The Company has therefore judged that she is an appropriate person to be renominated as Outside Director.</p>			

(Notes)


1. No special interest exists between the Company and each candidate.
2. The Audit & Supervisory Board of the Company has judged that it is appropriate to nominate candidates for Director based on their knowledge, experience, capacity and contribution to improving business performance, etc.
3. Election of candidates for Director was determined by the Board of Directors based on the results of deliberations by the voluntary Nomination and Remuneration Committee.
4. Ms. Waka Abe is a candidate for Outside Director and she will have served as such for two years at the close of the General Meeting of Shareholders.
5. The Company has registered Ms. Waka Abe as independent director with the Tokyo Stock Exchange, Inc.
6. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company stipulates that it may enter into a liability limitation agreement to limit liability for damages to the amount stipulated by laws and regulations as provided in Article 423, Paragraph 1 of the same Act, and has entered into such liability limitation agreement with all Non-Executive Directors of the Company. The amount of liability under the agreement will be up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If Ms. Waka Abe is appointed, the Company plans to sustain such liability limitation agreement.
7. The Company has entered into a directors and officers liability insurance contract, of which premiums are fully borne by the Company, with an insurance company. The insurance contract insures all Directors of the Company, and covers damages such as compensation for damages and litigation expenses that may result from acts committed by the insured in his or her capacity as such. The current contract will expire in August 2023, and the Company plans to renew such contract with the same contents.


Proposal 2: Election of 3 Directors and Audit & Supervisory Board Members


The terms of office of all three incumbent Directors and Audit & Supervisory Board Members will expire at the close of this General Meeting of Shareholders. It is proposed that three Directors and Audit & Supervisory Board Members be elected.

Regarding this proposal, the voluntary Nomination and Remuneration Committee deliberated on the selection of candidates for Director and Audit & Supervisory Board Member, and election thereof was determined by the Board of Directors based on the results of such deliberations. The Audit & Supervisory Board has consented to this proposal.

The candidates for Director and Audit & Supervisory Board Member are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Masahito Motoyama (February 24, 1958) <u>Reappointment</u>	April 1981 Joined the Company June 2008 Executive Officer, Deputy General Manager of Corporate Strategy Department June 2011 Director and Executive Officer, Deputy General Manager of Corporate Strategy Department June 2013 Director and Executive Officer, General Manager of Business Development Division June 2016 Executive Officer, General Manager of Business Development Division and Contact Center Service Division June 2017 General Manager of Business Development Division April 2018 Senior Specialist of Sales Group I of CTI & Infrastructure Systems Division April 2021 Senior Specialist of Sales Promotion Group of Financial Systems Division June 2021 Director and Audit & Supervisory Board Member (to present) (Significant concurrent positions) Corporate Auditor, ICR Co., Ltd.	92,500
[Reason for nomination as candidate for Director] Mr. Masahito Motoyama has many years of experience and abundant knowledge in the finance-related business of the Company. The Company expects that he will provide appropriate advice and recommendations on important management decisions at the Board of Directors of the Company, and therefore judged that he is an appropriate person to be renominated as Director and Audit & Supervisory Board Member.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 <p>Makoto Sato (July 4, 1964)</p> <p><u>Reappointment</u> <u>Outside Director</u></p>	<p>April 1987 Joined Yasuda Trust and Banking Company, Limited (currently Mizuho Trust & Banking Co., Ltd.)</p> <p>January 1996 Opened a private management consulting practice</p> <p>October 2000 Joined Showa Ota & Co. and Century Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>April 2005 Registered as certified public accountant</p> <p>April 2005 Established M.SATO CPA OFFICE (to present)</p> <p>February 2006 Registered as certified public tax accountant</p> <p>February 2006 Established M.SATO CPTA OFFICE (to present)</p> <p>August 2007 Representative Partner, Asunaro Audit Corporation (to present)</p> <p>June 2010 Corporate Auditor, the Company</p> <p>June 2015 Outside Director and Audit & Supervisory Board Member (to present)</p> <p>(Significant concurrent positions) Corporate Auditor, Syddy Inc. Outside Director, HOSOYA PYRO-ENGINEERING CO.,LTD.</p>	14,900
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles] Mr. Makoto Sato has abundant experience and deep insight as a certified public accountant, certified public tax accountant, and management consultant. As Director and Audit & Supervisory Board Member, he has conducted audits of management execution of the Company from a professional standpoint and has provided appropriate advice and recommendations on important management decisions of the Company. Based on such achievements, the Company has judged that he is an appropriate person to be renominated as Outside Director and Audit & Supervisory Board Member.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 Daisuke Koizumi (September 5, 1970) <div>Reappointment</div> <div>Outside Director</div>	October 1995 Joined Asahi & Co. (currently KPMG AZSA LLC) April 1999 Registered as certified public accountant January 2002 Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC) January 2003 Director, KIA Professional Co., Ltd. (currently Owner's Brain Co., Ltd.) July 2003 Representative Director, KIA Professional Co., Ltd. (currently Owner's Brain Co., Ltd.) (to present) September 2004 Registered as certified public tax accountant June 2010 Corporate Auditor, the Company June 2015 Outside Director and Audit & Supervisory Board Member (to present) (Significant concurrent positions) Representative Director, Owner's Brain co., Ltd.	8,900
[Reason for nomination as candidate for Outside Director and outline of expected roles] Mr. Daisuke Koizumi has abundant experience as a corporate manager and deep insight as a certified public accountant and certified public tax accountant. As Director and Audit & Supervisory Board Member, he has conducted audits of business execution of the Company from a professional standpoint and has provided appropriate advice and recommendations on important management decisions of the Company. Based on such achievements, the Company has judged that he is an appropriate person to be renominated as Outside Director and Audit & Supervisory Board Member.			

(Notes)

1. No special interest exists between the Company and each candidate.
2. Messrs. Makoto Sato and Daisuke Koizumi are currently Outside Directors of the Company, and they will have served as such for eight years at the close of the General Meeting of Shareholders.
3. The Company has registered Messrs. Makoto Sato and Daisuke Koizumi as independent directors with the Tokyo Stock Exchange, Inc.
4. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company stipulates that it may enter into a liability limitation agreement to limit liability for damages to the amount stipulated by laws and regulations as provided in Article 423, Paragraph 1 of the same Act, and has entered into such liability limitation agreement with all Non-Executive Directors of the Company. The amount of liability under the agreement will be up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If each candidate is appointed, the Company plans to sustain such liability limitation agreement.
5. The Company has entered into a directors and officers liability insurance contract, of which premiums are fully borne by the Company, with an insurance company. The insurance contract insures all Directors of the Company, and covers damages such as compensation for damages and litigation expenses that may result from acts committed by the insured in his or her capacity as such. The current contract will expire in August 2023, and the Company plans to renew such contract with the same contents.

<Reference>

The following table shows the skill matrix of the Board of Directors in Proposals 1 and 2 when the candidates are elected as originally proposed.

Skills Matrix

Name	Position	Management Experience	ESG / Sustainability	Marketing and Business Strategy	IT and Infrastructure Technology	Industry Knowledge	International-ism and Diversity	Legal and Risk Management	Financial Accounting / M&A
Tsunenori Sato	President and Representative Director	○	○	○	○		○		
Koji Sakata	Representative Senior Managing Director and Executive Officer, General Manager of Technology Development Department	○		○	○	○			○
Hiroataka Oeda	Director and Executive Officer, General Manager of Corporate Strategy Department	○	○	○		○		○	
Katsuo Nakayama	Director and Executive Officer, General Manager of Administration Department	○	○			○		○	○
Waka Abe	Outside Director	○	○	○			○		
Masahito Motoyama	Director and Full-Time Audit & Supervisory Board Member	○		○		○		○	
Makoto Sato	Director and Audit & Supervisory Board Member		○			○		○	○
Daisuke Koizumi	Director and Audit & Supervisory Board Member	○	○				○	○	

Up to five areas of focus or expertise are listed as those particularly expected of Directors.
The list does not represent all of the knowledge and experience possessed by each director.

(Appendix)

Business Report

(April 1, 2022 - March 31, 2023)

1. Overview of the Corporate Group

(1) Business Progress and Results

The Company Group established the Medium-Term Management Plan for FY2021 through FY2023 and has promoted business activities, aiming at realizing sustainable growth with the “ability to be close to customers,” leveraging the three pillars of reinforcing the management base, enhancing profitability and advancing ESG management.

The Japanese economy during the current consolidated fiscal year (April 1, 2022 - March 31, 2023) was influenced by the 7th and 8th waves of COVID-19 infections, but gradually showed signs of a recovery in its business activities amid the ongoing relaxation of movement restrictions. On the other hand, the economic outlook has remained uncertain due to soaring resource prices and commodity prices worldwide and impacts of weak yen.

In the domestic IT service industry that surrounds the Company Group, the need for digitalization that realizes “non-contact” and “non-face-to-face” has been on the rise, and the willingness of companies to invest is continuously high, mainly in DX (digital transformation) that transforms business processes and business models by utilizing technologies including AI and blockchain. On the other hand, some industries and companies are showing signs of restraint or postponement of IT investment in the midst of an unpredictable economy, and therefore, we continue to pay close attention to any revision in their investment plans.

For our operating activities, mainly from financial institutions, renewal orders were continuously received for our flagship non-performing loan management system, and in addition, sales have continued to progress stably, such as new sales and functional addition of the combination of the personal loan operation support system “SCOPE” and the web reception system of loan application “WELCOME” that realizes non-face-to-face operations. These systems contribute to shortening the amount of time taken on screening operations, while reducing the number of application sheets and digitalizing contract documents as part of our efforts for the environment. Also, sales of “Robotic Call” that automates operations for demand of non-performing loans performed well, winning more customers. For example, major financial institutions newly introduced it. Accordingly, orders received were ¥18,567 million (105.8% on a year-on-year basis) and backlog orders were ¥15,300 million (101.6% on a year-on-year basis), both of which increased year-on-year and reached record highs.

Under such business conditions, for the business results in the current consolidated fiscal year, sales were ¥18,322 million (107.6% on a year-on-year basis), operating income was ¥3,217 million (106.1% on a year-on-year basis), ordinary income was ¥3,278 million (105.5% on a year-on-year basis), and net income attributable to owners of the parent was ¥2,291 million (108.5% on a year-on-year basis). Accordingly, an increase in both revenues and profit was recorded. While sales and income reached record highs, we achieved the target of operating income in the Medium-Term Management Plan one year earlier than expected.

Financial results by reporting segment are as follows:

(System Development and Sales)

Sales have remained stable due to our core businesses of development of software for financial institutions, renewal of infrastructure equipment and introduction of “Robotic Call” that automates operations for making demands for non-performing loans, etc. Delayed delivery of terminal components of multi-payment terminal “iRITSpay Payment Terminal” was gradually mitigated. As a result, orders received were ¥11,168 million (101.9% on a year-on-year basis), sales were ¥10,611 million (107.7% on a year-on-year basis), and segment income was ¥1,778 million (118.4% on a year-on-year basis).

(Recurring)

In addition to maintenance services that are a stable source of revenue, BPO (business process outsourcing) services for the public sector, mainly for ordinance-designated cities and core cities, have continued to be solid with sales from new customers recorded as well as additional orders from

existing contract customers. As a result, orders received were ¥7,399 million (112.3% on a year-on-year basis), sales were ¥7,710 million (107.6% on a year-on-year basis), and segment income was ¥1,439 million (94.1% on a year-on-year basis).

[Sales Breakdown]

The sales composition by segment is as follows:

Segment	Amount	Composition ratio
System Development and Sales	¥10,611 million	57.9%
Recurring	¥7,710 million	42.1%
Total	¥18,322 million	100.0%

(Note) Sales by segment represent sales to external customers.

<Social Contribution Activities>

The Company donates to the Japan Association for the World Food Programme and the Japan Committee for UNICEF to fulfill its corporate social responsibility.

In midst of addressing actively the important topics (materiality), “Contributing to society through regional revitalization”, the Company supported “Tour de Kyushu 2023”, a cycling road race held in the Kyushu region to help activities for SDG achievement there. Also, the Company made a donation under a hometown tax donation system of a corporate version to Kumamoto Prefecture, which advocates “Town, People, Job Creation Comprehensive Strategy of Kumamoto Prefecture”.

(2) Status of Capital Investments

Total capital investments for the current consolidated fiscal year were ¥570 million. Major capital investments were as follows:

Purchase of facilities attached to buildings	¥89 million
Purchase of tools, furniture and fixtures	¥155 million
Purchase of software for internal use	¥109 million
Development of software for sales on the market	¥37 million

(3) Status of Fund Procurement

The funds required for capital investments for the current consolidated fiscal year were covered entirely by internal funds.

In addition, the Company has entered into a commitment line agreement (specified commitment line agreement) for a total of ¥1.5 billion with a main bank to procure funds efficiently. However, there were no outstanding borrowings based on this agreement at the end of the current consolidated fiscal year.

(4) Status of Business Transfers, Absorption-type Splits, Incorporation-type Splits, and Business Transfers from Other Companies

No material items to report.

(5) Status of Acquisition or Disposal of Shares or Other Equity of Other Companies or Stock Acquisition Rights

No material items to report.

(6) Status of Succession of Rights and Obligations Related to Another Company’s Business Due to an Absorption-type Merger or Absorption-type Split

Not applicable.

(7) Issues to Be Addressed

Future management circumstances are clouded by concerns over the impact of the persisting spread of COVID-19 infections worldwide. Although it is uncertain when the pandemic will be brought under control, the domestic economy is expected to recover autonomously due to the

promotion of vaccinations and other infection countermeasures as well as various policies taken by the national and local governments. On the other hand, heightened geopolitical risks have caused many destabilizing factors such as soaring commodity markets including crude oil and raw materials and confused financial markets. The unpredictable situation is expected to continue. The Group will address the following three points to improve the value of the Company through sustainable growth in the future.

[Execution of the Medium-Term Management Plan]

Needs from society and customers are diversifying in line with changes in the social environment. Under the Medium-Term Management Plan, the Company Group aims for sales of ¥21.0 billion, an operating income of ¥3.2 billion, and ROE and ROIC of not less than 13% as financial targets for FY2023, the final year of the plan.

[Activities against the risk of climate change]

We are currently facing enormous risks from powerful natural disasters, etc., such as increasing temperatures, torrential rain and flooding caused by global climate change. The Company Group has accepted the challenge to halve greenhouse gas emissions by the year 2030 by moving ahead with initiatives for strengthening emission standards both directly and indirectly based on international frameworks. We will provide solutions for BCP from the viewpoint of business sustainability.

[Investment in human resources]

The most valuable asset of the Company is humans, that is, our employees, which are a driving force for our growth. Securing talented human resources is indispensable for the Company Group's sustainable growth. We will make efforts such as improvement of workplace environment enabling diversified working styles, enrichment of benefit programs, design and operation of personnel evaluation systems, and diversification of recruitment activities. At the same time, we will continue to secure and develop human resources by improving skills of employees and vitalizing our organization.

(8) Trends in Assets and Income

(In millions of yen, unless otherwise specified)

Item	The 61st consolidated fiscal year ended March 31, 2020	The 62nd consolidated fiscal year ended March 31, 2021	The 63rd consolidated fiscal year ended March 31, 2022	The 64th consolidated fiscal year ended March 31, 2023 (Current year)
Sales	15,239	16,289	17,021	18,322
Ordinary income	1,839	2,317	3,106	3,278
Net income attributable to owners of the parent	1,232	1,683	2,112	2,291
Earnings per share (yen)	44.98	61.56	76.84	82.96
Total assets	16,294	18,690	20,010	21,667
Net assets	12,564	14,101	15,606	17,167
Net assets per share (yen)	458.83	512.48	565.00	618.80

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Revenue Recognition Accounting Standard"), etc. has been applied since the beginning of the 63rd consolidated fiscal year. The management indicators from the 63rd consolidated fiscal year and on are those after applying the Revenue Recognition Accounting Standard, etc.

(9) Material Parent Company and Subsidiaries

1) Relationship with the parent company

Not applicable.

2) Material subsidiaries

Company name	Capital stock	Percentage of voting rights held by the Company	Major lines of businesses
ICR Co., Ltd.	¥100,000 thousand	100.0%	Commissioned by local governments to provide notices and assist in the collection of insurance fees for the national health insurance system, etc.
CVC Co., Ltd.	¥100,000 thousand	100.0%	Visiting survey services
EeB Corporation	¥14,500 thousand	100.0%	Development of software
Syddy Inc.	¥25,000 thousand	100.0%	Digital service business, payment agency business

3) Progress and results of business combinations

There are four consolidated subsidiaries: ICR Co., Ltd., CVC Co., Ltd., EeB Corporation and Syddy Inc., and one affiliate accounted for using the equity method, AISEL Corporation.

Syddy Inc., which was established as of July 7, 2022, was included in the scope of consolidation.

The business results of the corporate group of the Company group for the current consolidated fiscal year are as stated in “(1) Business Progress and Results.”

(10) Principal Business Segments

The Company Group is composed of segments classified based on the business characteristics of its products and services, and adopts the two businesses of “System Development and Sales” and “Recurring” as the reportable segments.

Business segment	Major products and services
System Development and Sales	Mainly engaging in sales of system equipment, and providing integrated services from design/development to introduction/installation of software and system infrastructure networks
Recurring	Mainly providing software maintenance, hardware maintenance/operation, cloud, and BPO services

(11) Principal Business Locations (as of March 31, 2023)

Head office	21 Ichibancho, Chiyoda-ku, Tokyo
Branch offices	Tokorozawa Office (Tokorozawa), West Japan Office (Osaka), Chubu Office (Nagoya), Fukuoka Sales Office (Fukuoka), Okinawa Sales Office (Naha) ICR Co., Ltd. (Aichi) CVC Co., Ltd. (Fukuoka) EeB Corporation (Ishikawa) Syddy Inc. (Tokyo)
Service stations and others	Chubu Satellite Office

(12) Employees (as of March 31, 2023)

(The Group)

Number of Employees	Change from the end of the previous year
568 [887]	Decrease of 35 [increase of 2]

(Note) The number of employees is the number of active employees, excluding the number of

temporary employees shown in brackets as an annual average. The number of temporary employees includes part-time employees.

(The Company)

Number of employees	Change from the end of the previous year	Average age	Average years of service
457 [442]	Decrease of 31 [increase of 45]	41.5 years old	11.0 years

(Note) The number of employees is the number of active employees, excluding the number of temporary employees shown in brackets as an annual average. The number of temporary employees represents that of part-time employees.

(13) Principal Lenders (as of March 31, 2023)

Not applicable.

(14) Policy on the Exercise of Authority When the Articles of Incorporation Stipulate that the Board of Directors Shall Decide on the Distribution of Surplus, etc.

The Company recognizes that shareholder returns is one of the important management tasks. The Company's basic policy is to pay stable and continuous dividends annually with a target consolidated payout ratio of 30% or more, while taking into account performance trends and financial conditions.

The Board of Directors resolved at its meeting held on May 11, 2023, to pay a dividend of ¥30 per share.

(15) Other Important Matters concerning the Current Status of the Corporate Group

Not applicable.

2. Status of Shares (as of March 31, 2023)

- (1) Total Number of Shares Authorized to be Issued 110,000,000 shares
- (2) Total Number of Shares Outstanding 29,430,000 shares
(including 1,586,213 shares of treasury stock)
- (3) Number of Shareholders 10,000 persons

(4) Major Shareholders

Shareholders' name	Number of shares held (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	3,826,300	13.74
Custody Bank of Japan, Ltd. (Trust account)	1,734,396	6.23
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Retrust Portion/BROTHER INDUSTRIES, LTD. Retirement Benefit Trust Account)	1,420,000	5.10
ITFOR Employee Shareholding Association	1,004,000	3.61
KIA FUND 136	616,918	2.22
Meiji Yasuda Life Insurance Company	551,400	1.98
The Bank of Yokohama, Ltd.	500,000	1.80
RBC ISB LUX NON RES/DOM RATE-UCITS CLIENTS ACCOUNT-MIG	386,600	1.39
Eishi Murakami	361,000	1.30
Kiyoshi Higashikawa	347,000	1.25

- (Notes)
1. The shares held by Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank Retrust Portion/BROTHER INDUSTRIES, LTD. Retirement Benefit Trust Account) refer to the Company's shares that were held by BROTHER INDUSTRIES, LTD. and entrusted to Sumitomo Mitsui Trust Bank, Limited, which were then re-trusted to Custody Bank of Japan, Ltd., and related voting rights are retained by BROTHER INDUSTRIES, LTD.
 2. The Company holds 1,586,213 shares of treasury stock, which is excluded from the above list of major shareholders. Company shares of 123,796 shares held by Custody Bank of Japan, Ltd. as trust property for the stock remuneration plan are not included in treasury stock.
 3. The shareholding ratio is calculated upon excluding treasury stock.

- (5) Other Important Matters concerning Shares
No material items to report.

3. Stock Acquisition Rights, etc.

- (1) Stock Acquisition Rights Issued to the Officers of the Company as Compensation for the Execution of Their Duties

Date of resolution at the Annual General Meeting of Shareholders	June 21, 2017
Date of resolution for issuance	September 13, 2017
Number of stock acquisition rights	410 units
Number of holders	4 Directors of the Company (excluding Directors and Audit & Supervisory Board Members)
Class of shares underlying the stock acquisition rights	Common stock
Number of shares underlying the stock acquisition rights	41,000 shares
Amount to be paid in for the stock acquisition rights	No payment
Amount of assets to be contributed for the exercise of stock acquisition rights	642 yen per share
Exercise period of stock acquisition rights	From September 16, 2019 to September 15, 2024

- (2) Stock Acquisition Rights Issued to Employees and Subsidiaries' Officers and Employees as Compensation for the Execution of Their Duties during the Current Fiscal Year
Not applicable.

- (3) Other Important Matters concerning Stock Acquisition Rights, etc.
Not applicable.

4. Company Officers

(1) Names and Other Relevant Information of Directors (as of March 31, 2023)

Position	Name	Responsibilities and significant concurrent positions
President and Representative Director	Tsunenori Sato	Director, ICR Co., Ltd. Director, CVC Co., Ltd. Director, Syddy Inc.
Representative Senior Managing Director and Executive Officer	Koji Sakata	General Manager of Technology Development Department General Manager of Software Systems Division II Director, ICR Co., Ltd. Director, EeB Corporation Director, AISEL Corporation Director, ALPHA & SHIN-YO Corporation
Director and Executive Officer	Hiroataka Oeda	General Manager of Corporate Strategy Department General Manager of Retail EC Systems Division Director, CVC Co., Ltd.
Director and Executive Officer	Katsuo Nakayama	General Manager of Administration Department Representative Director, ICR Co., Ltd. Corporate Auditor, CVC Co., Ltd. Corporate Auditor, EeB Corporation Director, Syddy Inc.
Outside Director	Waka Abe	Director, SK-Electronics Co., Ltd.
Director (Director and Audit & Supervisory Board Member)	Masahito Motoyama	Corporate Auditor, ICR Co., Ltd.
Outside Director (Director and Audit & Supervisory Board Member)	Makoto Sato	Certified public accountant Corporate Auditor, Syddy Inc. Outside Director, HOSOYA PYRO-ENGINEERING CO.,LTD.
Outside Director (Director and Audit & Supervisory Board Member)	Daisuke Koizumi	Certified public accountant Representative Director, Owner's Brain Co., Ltd.

- (Notes)
1. Outside Directors, Messrs. Makoto Sato and Daisuke Koizumi are qualified as certified public accountants and have considerable knowledge in finance and accounting.
 2. There are no significant relationships between the Company and the other companies at which Outside Directors, Ms. Waka Abe, and Messrs. Makoto Sato and Daisuke Koizumi have concurrent positions.
 3. The Company has registered Outside Directors, Ms. Waka Abe and Messrs. Makoto Sato and Daisuke Koizumi as independent directors with the Tokyo Stock Exchange.
 4. To reinforce the audit and supervisory functions of the Audit & Supervisory Board, the Company has elected Mr. Masahito Motoyama as a full-time Director and Audit & Supervisory Board Member to enable the gathering of information from Directors (excluding Directors and Audit & Supervisory Board Members) and the sharing of information at important internal meetings, as well as full cooperation between the internal audit department and the Audit & Supervisory Board.

(2) Outline of the Content of the Liability Limitation Agreement

The Company stipulates in its Articles of Incorporation that it may enter into a liability limitation agreement with Directors (excluding executive directors, etc.), in accordance with Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages to the amount stipulated by laws and regulations as provided in Article 423, Paragraph 1 of the same Act, so that they may fully perform their expected roles. Currently, the Company has entered into such liability limitation agreements with all of its non-executive directors of the Company.

(3) Outline of the Content of the Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract as provided in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event that a claim for damages is brought by a shareholder, third party or other party, the insurance contract covers liability such as compensation for damages and litigation expenses that shall be borne by the insured. The insured under the insurance contract is Directors of the Company, and the premiums are fully borne by the Company.

(4) Remuneration, etc. of Directors for the Current Fiscal Year

1) Matters pertaining the policies for the amount of remuneration, etc. of Directors and its calculation method

a. Basic policy

The aim of the remuneration of officers of the Company is to secure, retain, and motivate outstanding talent in management in order to achieve sustainable growth and the medium- to long-term increase of corporate value of the Company and the Company Group. To that end, the basic policy is to determine remuneration through a transparent and objective process that maintains an appropriate link with performance and functions as a sound incentive.

The Board of Directors determined that the individual amounts of remuneration, etc. of the Directors of the Company for the current fiscal year comply with the basic policy due to the following reasons. The Nomination and Remuneration Committee has also confirmed that the content is in line with the determination policy. Based on the recommendation from the Committee to that extent, the individual amounts of remuneration, etc. were determined at the Board of Directors meeting held on June 17, 2022.

b. Remuneration system

The remuneration of the officers of the Company consists of basic remuneration and performance-linked remuneration, which are deliberated and determined by the Board of Directors based on comparisons with peers or with other companies of comparable size, as well as the Company's financial situation and the individual's degree of contribution. Given that variable remuneration such as performance-linked remuneration is not suitable for Outside Directors and Directors and Audit & Supervisory Board Members, only the "basic remuneration" is paid to them.

2) Matters concerning provisions regarding remuneration, etc. for Directors and provisions by resolutions of the General Meeting of Shareholders

The maximum amount of remuneration to officers of the Company has been resolved at the 56th Annual General Meeting of Shareholders held on June 19, 2015, to be no more than ¥300 million per year for Directors (excluding Directors and Audit & Supervisory Board Members) and no more than ¥35 million per year for Directors and Audit & Supervisory Board Members. As of the close of the 56th Annual General Meeting of Shareholders, the number of Directors (excluding Directors and Audit & Supervisory Board Members) was eight, and the number of Directors and Audit & Supervisory Board Members was three (including two Outside Directors).

The introduction of the tax-qualified stock option as medium- to long-term incentive remuneration (non-monetary remuneration, etc.) was resolved at the 58th Annual General Meeting of Shareholders held on June 21, 2017. As of the close of the 58th Annual General Meeting of Shareholders, the number of Directors (excluding Directors and Audit & Supervisory Board Members) was eight, and the number of Directors and Audit & Supervisory Board Members was three (including two Outside Directors).

The introduction of a share delivery trust (non-monetary remuneration, etc.) as performance-linked remuneration for Directors (excluding Directors and Audit & Supervisory Board Members) was

resolved at the 62nd Annual General Meeting of Shareholders held on June 18, 2021. As of the close of the 62nd Annual General Meeting of Shareholders, the number of Directors (excluding Directors and Audit & Supervisory Board Members) was five (including one Outside Director), and the number of Directors and Audit & Supervisory Board Members was three (including two Outside Directors).

3) Matters concerning performance-linked remuneration, etc.

Performance-linked remuneration comprises monthly remuneration, which is incentive remuneration that varies depending on short-term performance, tax-qualified stock options (non-monetary remuneration, etc.), which are medium- to long-term incentive remuneration, and the share delivery trust (non-monetary remuneration, etc.) which is performance-linked. Monthly remuneration is paid at an amount calculated according to the degree of achievement of the targets for net income attributable to owners of the parent for each fiscal year.

i. Monthly remuneration as short-term incentive remuneration

From the standpoint of determining whether the Company Group's growth is steadily generating profit, the indicator used for performance-linked remuneration is net income attributable to owners of the parent. In FY2022, the target amount was ¥1,943 million, and the actual amount was ¥2,291 million.

$$\begin{array}{lcl} \text{Total amount of} & & \text{Net income} \\ \text{performance-linked} & = & \text{attributable to} \\ \text{remuneration} & & \text{owners of the parent} \end{array} \times 8.0\% \times \begin{array}{l} \text{Company-wide} \\ \text{performance evaluation} \\ \text{coefficient} \end{array}$$

However, if a net loss attributable to owners of the parent is reported, the amount will be ¥0.

Calculation method of individual payment amounts

$$= \frac{\begin{array}{l} \text{Total amount of} \\ \text{performance-linked} \\ \text{remuneration} \end{array} \times \frac{\begin{array}{l} \text{Points per position} \\ \times \\ \text{Individual performance evaluation} \\ \text{coefficient}^* \end{array}}{\begin{array}{l} \text{Points per position} \\ \times \\ \text{Sum of individual performance} \\ \text{payment coefficients}^* \end{array}}$$

* Individual performance evaluation coefficient is determined within a range from 0% to 150% depending on the results and the degree of contribution against each Director's individual performance indicators. The results and degree of contribution against each Director's individual performance indicators are based on comprehensive evaluation by the Nomination and Remuneration Committee.

$$\text{Monthly remuneration} = \text{Individual payment amount} / 12$$

Points by position

Position	Points
Chairman	120
President	120
Vice President	80
Senior Managing Director	50
Managing Director	40
Director	10

ii. Tax-qualified stock options as medium- to long-term incentive remuneration

The Company's stock options were resolved at the 58th Annual General Meeting of Shareholders held on June 21, 2017, and a given number of stock options are granted according to individual positions.

After a waiting period of approximately two (2) years, 20% of the number of stock options granted in a year may be exercised, and the exercise period is five (5) years.

iii. Composition ratios of remuneration

Position	Basic remuneration	Performance-linked remuneration	Total
Chairman	58%	42%	100%
President	58%	42%	
Vice President	58-60%	40-42%	
Senior Managing Director	60-62%	38-40%	
Managing Director	62-65%	35-38%	
Director	68-72%	28-32%	

- (Notes)
1. Basic remuneration is the median value for the position concerned, and the values for performance-linked remuneration indicate percentages in models where the achievement rate is 100%.
 2. The composition ratios of individual remuneration may differ even for persons in the same position.
 3. The percentages for Directors include the employee portion of salaries and bonuses.

iv. Persons authorized to determine the policy for determining the amount and calculation method of officer remuneration

The President and Representative Director comprehensively considers the Director's positions, segregation of duties and degree of contribution to the performance of the Company, and drafts the remuneration amounts for individual Directors. The Board of Directors submits the draft to the Nomination and Remuneration Committee, which is a voluntary advisory body. The Board of Directors determines the remuneration amounts of individual Directors based on a recommendation from the committee. The voluntary Nomination and Remuneration Committee is chaired by an Outside Director and comprises five Directors, three of which are Outside Directors and two of which are Representative Directors.

v. Share delivery trust

The Company has established a stock-based remuneration plan based on the resolution of the 62nd Annual General Meeting of Shareholders held on June 18, 2021, to have its Directors share the perspectives of shareholders and bear the risk of declines in stock prices as well as the benefits of rising stock prices.

A trust established by the Company acquires the Company's shares and delivers the Company's shares to the eligible Director. The trust shall grant points to the Director in accordance with the Stock Grant Rules determined by the Board of Directors of the Company, based on criteria such as position and the degree of achievement of performance targets on the date of grant specified in the Stock Grant Rules during the trust period. The aggregated number of points to be granted to the Director shall be limited to a total of 150,000 points for the three (3) fiscal years of the Applicable Period. At the point the Director resigns, the Company's shares shall be delivered to the Director in accordance with the number of granted points. The number of the Company's shares to be delivered are the number of points granted multiplied by one (1).

Furthermore, by a resolution of the Board of Directors of the Company, the Applicable Period may be extended for a period of not less than three (3) fiscal years and not more than five (5) fiscal years, and the trust period of the Trust may be extended accordingly (including effectively extending the trust period by transferring the trust assets of the Trust to a trust with the same purpose as the Trust established by the Company) to effect the renewal of the Plan. In such instances, the Company shall make an additional contribution to the Trust during the Applicable Period of such extension, up to the amount calculated by multiplying the number of fiscal years of the extended Applicable Period by ¥33 million, as funds for the additional acquisition of the Company's shares necessary for the grant of the Company's shares to Directors under the Plan, and continue the granting of points and the grant of the Company's shares.

(i)	Persons eligible for the Plan	Directors of the Company (excluding Directors and Audit & Supervisory Board Members and Outside Directors)
(ii)	Applicable Period	From the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024
(iii)	Maximum amount of cash to be contributed by the Company as funds for the acquisition of the Company's shares necessary for the grant to the eligible persons in (i), during the Applicable Period in (ii) (three (3) fiscal years)	¥99 million in total
(iv)	Method of acquiring the Company's shares	Disposal of treasury stock or acquisition from the stock exchange (including after-hour trading)
(v)	Maximum total number of points to be granted to the eligible persons in (i)	150,000 points in total for the three (3) fiscal years of the Applicable Period
(vi)	Criteria for granting points	Points will be granted in accordance with criteria such as position and the degree of achievement of performance targets
(vii)	Timing of granting of the Company's shares to the eligible persons in (i)	At the time of resignation, in principle

4) Total amounts of remuneration, etc. for Directors

Officer category	Total (Thousand yen)	Amount by type of remuneration, etc. (Thousand yen)				Number of recipients
		Fixed remuneration	Performance-linked remuneration	Stock option	Retirement benefits	
Directors (excluding Directors and Audit & Supervisory Board Members, and Outside Directors)	180,342	81,000	96,957	2,385	-	4
Outside Directors (excluding Directors and Audit & Supervisory Board Members)	4,800	4,800	-	-	-	1
Directors and Audit & Supervisory Board Members (excluding Outside Directors)	14,727	14,727	-	-	-	1
Outside Directors (Directors and Audit & Supervisory Board Members)	9,780	9,780	-	-	-	2

(Note) The total amount of remuneration by individual is omitted, as no Director received ¥100 million or more.

(5) Outside Directors

Position	Name	Status of attendance	Statements made
Outside Director	Waka Abe	24 out of 25 meetings of the Board of Directors	She mainly provides comments based on her extensive and advanced experience as a corporate manager.
Outside Director (Director and Audit & Supervisory Board Member)	Makoto Sato	25 out of 25 meetings of the Board of Directors 19 out of 19 meetings of the Audit & Supervisory Board	He mainly provides comments from his professional perspective as a certified public accountant.
Outside Director (Director and Audit & Supervisory Board Member)	Daisuke Koizumi	25 out of 25 meetings of the Board of Directors 18 out of 19 meetings of the Audit & Supervisory Board	He mainly provides comments based on his extensive experience as a manager and a certified public accountant.

5. Status of Accounting Auditor

- (1) Name of the Accounting Auditor
Ernst & Young ShinNihon LLC

- (2) Accounting Auditor's Remuneration, etc. for the Current Fiscal Year

Amount of remuneration, etc. for the Accounting Auditor (Note)	¥35,000 thousand
Total amount of cash and other financial benefits payable by the Company and its subsidiaries	¥35,000 thousand

(Notes) 1. The audit contract between the Company and the Accounting Auditor does not distinguish remuneration amounts for the audit under the Companies Act and that under the Financial Instruments and Exchange Act, and it is practically not possible to distinguish them. Accordingly, the remuneration represents the total amount of these audits.

2. The Audit & Supervisory Board of the Company consented to the amount of remuneration, etc. for the Accounting Auditor, after fully examining the details explained by the Accounting Auditor such as the number of days, allocation of personnel and audit details, etc., in the audit plan for the current fiscal year, the verification and evaluation of the results of audits for the previous fiscal year, the appropriateness of the execution of audits by the Accounting Auditor, and the grounds for calculated estimates forming the basis for the remuneration.

- (3) Policy on Decisions of Dismissal or Non-Reappointment of the Accounting Auditor

The Audit & Supervisory Board of the Company shall, upon the consent of all the Audit & Supervisory Board Members, dismiss the Accounting Auditor if it recognizes a circumstance that falls under any of the items set forth in Article 340, Paragraph 1 of the Companies Act. In such a case, an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board will report dismissal of the Accounting Auditor and the reasons therefor at the first general meeting of shareholders convened after such dismissal.

In addition, if the Audit & Supervisory Board of the Company determines that the Accounting Auditor has difficulty in appropriately executing duties or otherwise finds that the Accounting Auditor needs to be changed, the Audit & Supervisory Board shall decide the content of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to a general meeting of shareholders and request the Board of Directors to hold a general meeting of shareholders for that purpose.

6. Matters concerning the Basic Policy on Control of the Company

(1) Details of the Basic Policy

The Company believes that the individuals who control the decision-making over the financial and business policies of the Company should be those who ensure and improve the Company's corporate value, including the trust and technical capabilities that have been consistently accumulated over the long term, and by extension the common interests of the shareholders over the medium to long term.

Nevertheless, we believe that since the Company, as a public corporation, reasonably allows the unrestricted trading of the Company's shares. Also, the Company believes that the final decision on whether to accept sales of the Company's shares with response to a large-scale acquisition proposal by a specific person or group should be left to the will of the shareholders who owns the Company's shares. However, when the large-scale acquisition is judged to be detrimental to corporate value and the common interests of the shareholders, the Company believes that it is imperative that the Company's corporate value over the medium to long term, and by extension the common interest of the shareholders, are ensured through the implementation of necessary and reasonable measures.

(2) Details of Efforts to Realize the Basic Policy

1) Revision of the Company's corporate philosophy and establishment of its purpose

The Company started adopting its new corporate philosophy and purpose from the 49th foundation anniversary of December 2, 2021, on the occasion of the 50th anniversary of its founding coming up in December 2022. The corporate philosophy is "Generating excitement and smiles with 'A Sprit To Be Close' to people", while the purpose is "Through social contribution by regional revitalization, we will contribute to the development of a sustainable future by providing surprises to all peoples and businesses." We promote our business activities, aiming at keeping its widely fruitful existence in society through know-hows for systems (IT) and businesses (BPO) which we have accumulated.

2) Execution of the Medium-Term Management Plan, "NEXT STAGE 2023 - HENCA SINCA SOZO -"

The Company set a long-term target, in which we will achieve sustainable growth with the "ability to be close to customers". Also, the Company Group aimed for sales of ¥21.0 billion, an operating income of ¥3.2 billion, and ROE and ROIC of not less than 13% as financial targets for FY2023. Accordingly, we will promote reinforcing management base, enhancing profitability and advancing ESG management to respond to environmental changes.

3) Strengthening of corporate governance

The Company recognizes that the basis of corporate governance is to create transparent and fair management systems and promote efficient business execution based on prompt and decisive decision-making, while providing timely and appropriate information disclosure. By doing these, the Company believes that meeting satisfaction of stakeholders and improving the corporate value of the Company Group in an enduring manner are indispensable as keystones of our corporate management.

(3) Efforts to Prevent the Determination of Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person in Light of the Basic Policies

At the Company's 47th Annual General Meeting of Shareholders held on June 23, 2006, the Company introduced "Countermeasures to Large-Scale Purchase of the Company's Shares (takeover defense measures)", based on the above-mentioned policy. From then on, the Company continued with the measures by revising them as necessary, but in accordance with the decision of the Company's Board of Directors meeting held on May 12, 2022, the takeover defense measures were discontinued and abolished as of the end of the 63rd Annual General Meeting of Shareholders.

Even after abolition of the takeover defense measures, the Company will take appropriate measures within the allowable range of the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, to parties which seek to make a large-scale acquisition of the Company's shares, demanding necessary and sufficient provision of information for shareholders to make an appropriate decision on the advisability of the large-scale acquisition, disclosing the opinions, etc., of the Board of Directors and securing time and information for shareholders' review.

(4) The Decision of the Board of Directors of the Company on the Above Initiatives

The Board of Directors of the Company believes that these initiatives in (2) and (3) are those for securing and enhancing the Company's corporate value and common interests of shareholders, and in line with the basic policy in (1). Also, the purpose is not to maintain the position of Directors.

Amounts in the business report are rounded down to the nearest presented unit.
Percentages, ratios etc., are rounded off to the nearest whole number.

Consolidated Balance Sheet

(As of March 31, 2023)

(Unit: thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	17,676,536	Current liabilities	4,243,160
Cash and deposits	3,597,047	Accounts payable	1,361,709
Notes and accounts receivable and contract assets	3,660,860	Corporate income tax and other taxes payable	614,638
Securities	9,499,685	Reserve for bonuses	547,334
Inventories	616,190	Contract liabilities	717,642
Other	302,752	Other	1,001,834
Fixed assets	3,990,896	Fixed liabilities	256,602
Tangible fixed assets	903,083	Net defined benefit liabilities	202,707
Buildings	334,227	Reserve for stock benefit	38,850
Machinery, equipment and delivery equipment	0	Long-term accrued amount	4,278
Land	149,565	Other	10,767
Construction in progress	185,107	Total liabilities	4,499,762
Other	234,183	Net assets	
Intangible fixed assets	455,468	Shareholders' equity	16,716,556
Goodwill	61,577	Capital stock	1,124,669
Other	393,891	Capital surplus	1,367,439
Investments and other assets	2,632,344	Retained earnings	15,403,603
Investment securities	1,770,808	Treasury stock	△ 1,179,155
Deferred tax assets	248,163	Accumulated other comprehensive income	428,723
Other	613,372	Valuation difference on other securities	428,436
		Deferred hedge profit or loss	1,158
		Accumulated adjustment for retirement benefits	△ 871
		Stock acquisition rights	22,390
		Total net assets	17,167,670
Total assets	21,667,433	Total liabilities and net assets	21,667,433

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Consolidated Profit and Loss Statement

(From April 1, 2022 to March 31, 2023)

(Unit: thousand yen)

Description	Amount	
Sales		18,322,382
Cost of goods sold		11,587,396
Gross profit on sales		6,734,985
Selling, general and administrative expenses		3,517,417
Operating income		3,217,567
Non-operating income		
Interest income	3,737	
Dividend income	56,315	
Profit on sale of investment securities	2,651	
Investment profit by equity method	14,203	
Other	35,194	112,011
Non-operating expenses		
Commissions paid	5,847	
Retirement loss on fixed assets	13,543	
Valuation loss on investment securities	17,861	
Loss on sales of investment securities	2,125	
Membership right valuation loss	10,646	
Other	1,334	51,357
Ordinary income		3,278,222
Extraordinary income		
Profit on reversal of share acquisition rights	5,362	5,362
Net income before taxes		3,283,584
Corporate income tax, resident tax and business tax	1,043,560	
Adjustment of corporate income tax and other taxes	△51,450	992,109
Net income		2,291,474
Net income attributable to owners of the parent		2,291,474

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Consolidated Statement of Changes in Shareholders' Equity and Other Net Assets

(From April 1, 2022 to March 31, 2023)

(Unit: thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	1,124,669	1,359,266	13,943,432	△1,270,459	15,156,908
Changes during the period					
Dividends of surplus			△831,302		△831,302
Net income attributable to owners of the parent			2,291,474		2,291,474
Disposition of treasury stock		8,172		91,303	99,476
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	-	8,172	1,460,171	91,303	1,559,647
Balance at the end of the period	1,124,669	1,367,439	15,403,603	△1,179,155	16,716,556

	Accumulated other comprehensive income				Stock acquisition rights	Total net assets
	Valuation difference on other securities	Deferred hedge profit or loss	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the period	423,869	-	△1,715	422,154	27,867	15,606,930
Changes during the period						
Dividends of surplus						△831,302
Net income attributable to owners of the parent						2,291,474
Disposition of treasury stock						99,476
Changes in items other than shareholders' equity during the period (net)	4,566	1,158	843	6,569	△5,477	1,092
Total changes during the period	4,566	1,158	843	6,569	△5,477	1,560,740
Balance at the end of the period	428,436	1,158	△871	428,723	22,390	17,167,670

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Non-consolidated Balance Sheet

(As of March 31, 2023)

(Unit: thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	16,305,243	Current liabilities	4,018,854
Cash and deposits	2,560,404	Accounts payable	1,422,242
Notes receivable	124,329	Accrued amount	429,034
Accounts receivable	2,858,085	Accrued expenses	221,820
Contract assets	357,366	Corporate income tax and other taxes payable	565,507
Investments in leases	112,270	Accrued consumption taxes	123,655
Securities	9,499,685	Contract liabilities	717,642
Merchandise	209,486	Deposits received	34,347
Work in process	374,247	Reserve for bonuses	504,604
Supplies	20,716		
Advance payments to suppliers	182		
Prepaid expenses	172,351		
Other	16,117		
Fixed assets	4,764,734	Fixed liabilities	244,579
Tangible fixed assets	835,746	Reserve for retirement benefits	201,451
Buildings	317,573	Reserve for stock benefit	38,850
Machinery and equipment	0	Long-term accrued amount	4,278
Tools, furniture and fixtures	190,191		
Land	149,565	Total liabilities	4,263,434
Construction in progress	178,416		
Intangible fixed assets	388,724	Net assets	
Software	214,637	Shareholders' equity	16,355,411
Software in progress	166,508	Capital stock	1,124,669
Other	7,579	Capital surplus	1,342,953
Investments and other assets	3,540,263	Legal capital surplus	1,221,189
Investment securities	1,652,404	Other capital surplus	121,764
Stocks of affiliated companies	1,058,699	Retained earnings	15,061,049
Long-term loans receivable from affiliated companies	30,000	Legal retained earnings	94,356
Long-term prepaid expenses	35,668	Other retained earnings	14,966,692
Long-term deposits	50,000	General reserve	5,512,500
Deferred tax assets	227,380	Retained earnings brought forward	9,454,192
Leasehold and guarantee deposits	381,425	Treasury stock	△1,173,259
Insurance funds	70,581	Valuation and translation adjustments	428,741
Other	34,171	Valuation difference on other securities	427,582
Allowance for doubtful accounts	△68	Deferred hedge profit or loss	1,158
		Stock acquisition rights	22,390
Total assets	21,069,977	Total net assets	16,806,543
		Total liabilities and net assets	21,069,977

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Non-consolidated Profit and Loss Statement

(From April 1, 2022 to March 31, 2023)

(Unit: thousand yen)

Description	Amount	
Sales		16,554,934
Cost of goods sold		10,537,765
Gross profit on sales		6,017,168
Selling, general and administrative expenses		2,903,535
Operating income		3,113,633
Non-operating income		
Interest income	914	
Interest on securities	3,234	
Dividend income	56,210	
Profit on sale of investment securities	2,561	
Miscellaneous income	22,633	85,554
Non-operating expenses		
Commissions paid	5,726	
Retirement loss on fixed assets	13,543	
Valuation loss on investment securities	17,861	
Loss on sale of investment securities	2,125	
Membership right valuation loss	10,646	
Foreign exchange losses	958	
Miscellaneous loss	375	51,236
Ordinary income		3,147,951
Extraordinary income		
Profit on reversal of stock acquisition rights	5,362	5,362
Net income before taxes		3,153,313
Corporate income tax, resident tax and business tax	968,489	
Adjustment of corporate income tax and other taxes	△59,099	909,390
Net income		2,243,922

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Non-consolidated Statement of Changes in Shareholders' Equity and Other Net Assets

(From April 1, 2022 to March 31, 2023)

(Unit: thousand yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Other retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at the beginning of the period	1,124,669	1,221,189	113,591	1,334,780	94,356	5,512,500	8,041,573	13,648,429
Changes during the period								
Dividends of surplus							△ 831,302	△ 831,302
Net income							2,243,922	2,243,922
Disposition of treasury stock			8,172	8,172				0
Changes in items other than shareholders' equity during the period (net)								
Total changes during the period	-	-	8,172	8,172	-	-	1,412,619	1,412,619
Balance at the end of the period	1,124,669	1,221,189	121,764	1,342,953	94,356	5,512,500	9,454,192	15,061,049

	Shareholders' equity		Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on other securities	Deferred hedge profit or loss	Total valuation and translation adjustments		
Balance at the beginning of the period	△ 1,264,563	14,843,315	423,527	—	423,527	27,867	15,294,711
Changes during the period							
Dividends of surplus		△ 831,302					△ 831,302
Net income		2,243,922					2,243,922
Disposition of treasury stock	91,303	99,476					99,476
Changes in items other than shareholders' equity during the period (net)			4,054	1,158	5,213	△ 5,477	△ 263
Total changes during the period	91,303	1,512,095	4,054	1,158	5,213	△ 5,477	1,511,832
Balance at the end of the period	△ 1,173,259	16,355,411	427,582	1,158	428,741	22,390	16,806,543

(Note) Figures presented in the financial statements are rounded down to the nearest thousand yen.

Independent Auditor's Report
(English Translation)

May 22, 2023

To the Board of Directors
ITFOR Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Masahiro Ito
Designated Engagement Partner
Certified Public Accountant

Toshiyuki Matsuura
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements of ITFOR Inc. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated profit and loss statement, the consolidated statement of changes in shareholders' equity and other net assets for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information consists of the business report and the accompanying supplementary schedules, other than the financial statements and our auditor's report thereon. Management is responsible for the other information presentation.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection to our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters relating to going concern.

The Audit & Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Group which should be disclosed in accordance with the Certified Public Accountants Act of Japan.

Independent Auditor's Report

(English Translation)

May 22, 2023

To the Board of Directors
ITFOR Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Masahiro Ito
Designated Engagement Partner
Certified Public Accountant

Toshiyuki Matsuura
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements of ITFOR Inc. (the "Company"), which comprise the non-consolidated balance sheet as at March 31, 2023, and the non-consolidated profit and loss statement, the non-consolidated statement of changes in shareholders' equity and other net assets for the 64th fiscal year then ended, notes to the non-consolidated financial statements and its supplementary schedules (the "non-consolidated financial statements, etc.>").

In our opinion, the accompanying non-consolidated financial statements, etc. present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2023, and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information consists of the business report and the accompanying supplementary schedules, other than the financial statements and our auditor's report thereon. Management is responsible for the other information presentation.

Our opinion on the non-consolidated financial statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection to our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Board for the Non-consolidated financial statements, etc.

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters relating to going concern.

The Audit & Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements, etc. or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the disclosures, and whether the non-consolidated financial statements, etc. represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act of Japan.

Audit Report (English Translation)

The Audit & Supervisory Board has audited the directors' performance of their duties for the 64th fiscal year from April 1, 2022 to March 31, 2023 and reports as follows in regard to the method and results of those audits.

1. Method and Contents of Audits

In regard to the content of resolutions of the board of directors regarding the matters stated in Article 399-13, paragraph (1), items (i)(b) and (i)(c) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems), the Audit & Supervisory Board periodically received reports from directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the Audit & Supervisory Board conducted audits using the following methods.

- 1) Based on the standards for audits by the Audit & Supervisory Board and in accordance with the audit policies and division of duties, etc. determined by the Audit & Supervisory Board, and in cooperation with the internal control department of the company, the Audit & Supervisory Board attended important meetings, received reports from directors and employees, etc. regarding matters related to the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the Audit & Supervisory Board communicated and exchanged information with the directors and audit and supervisory board members, etc. of subsidiaries and received reports on business from subsidiaries as necessary.
- 2) In regard to the basic policies provided for in Article 118, item (iii)(a) of the Ordinance for Enforcement of the Companies Act, and the efforts provided for in item (iii)(b) of that article, each as stated in the business report, the Audit & Supervisory Board considered the contents thereof taking into account matters such as the status of deliberations at meetings of the board of directors and other deliberations.
- 3) The Audit & Supervisory Board oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit & Supervisory Board received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the Audit & Supervisory Board examined the business report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, and explanatory notes to accounting documents), the supplementary schedules to the accounting documents, and the consolidated accounting documents (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and explanatory notes to consolidated accounting documents) for the fiscal year.

2. Audit Results

(1) Results of audit of business report, etc.

- 1) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.
- 2) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the directors' performance of their duties.
- 3) We find the content of the resolutions of the board of directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the directors' performance of their duties relating to the internal control systems.
- 4) We find the basic policy regarding persons who control the determination of financial and business policies of the company stated in the business report to be reasonable. We find that the efforts provided for in Article 118, item (iii)(b) of the Ordinance for Enforcement of the Companies Act stated in the business report are in compliance with that basic policy and do not harm the common interests of the shareholders of the company, and that their purpose is not to maintain the positions of the directors of the company.

(2) Results of audit of accounting documents and supplementary schedules thereto

We find the methods and results of the audit by the accounting auditor, Ernst & Young ShinNihon LLC, to be reasonable.

(3) Results of audit of consolidated accounting documents

We find the methods and results of the audit by the accounting auditor, Ernst & Young ShinNihon LLC, to be reasonable.

May 23, 2023

Audit & Supervisory Board, ITFOR Inc.

Full-Time Director and Audit & Supervisory Board Member	Masahito Motoyama
Director and Audit & Supervisory Board Member	Makoto Sato
Director and Audit & Supervisory Board Member	Daisuke Koizumi

(Note) Directors and Audit & Supervisory Board Members, Mr. Makoto Sato and Mr. Daisuke Koizumi are outside directors provided for in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.