



Kazuya Nishimoto, President

INTERTRADE Co., Ltd. (3747)



Company Information

| | |
|------------|--|
| Exchange | TSE, Second Section |
| Industry | Information, Communications |
| President | Kazuya Nishimoto |
| HQ Address | Kayabacho First Building third floor, 1-17-21 Shinkawa, Chuo-ku, Tokyo |
| Year End | September |
| HOME PAGE | https://www.itrade.co.jp/ |

Stock Information

| Share Price | Number of shares issued (excluding treasury shares) | | Total market cap | ROE (Actual) | Trading Unit |
|-------------|--|------------|------------------|-----------------|--------------|
| ¥480 | 7,185,600 shares | | ¥3,449 million | 6.2% | 100 shares |
| DPS (Est.) | Dividend Yield (Est.) | EPS (Est.) | PER (Est.) | BPS (Actual) | PBR (Actual) |
| - | - | ¥2.74 | 175.2x | ¥126.29 | 3.8x |

*The share price is the closing price on December 15. The number of shares outstanding is calculated based on those at the end of the latest quarter excluding the number of treasury stock. ROE and BPS are the values at the end of the previous term.

Consolidated Earnings Trends

| Fiscal Year | Sales | Operating Income | Ordinary Income | Net Income | EPS | DPS |
|--------------------|-------|------------------|-----------------|------------|------|------|
| September 2017 | 2,017 | -458 | -459 | -334 | - | 0.00 |
| September 2018 | 1,892 | -335 | -334 | -338 | - | 0.00 |
| September 2019 | 1,791 | -413 | -411 | -408 | - | 0.00 |
| September 2020 | 2,195 | 19 | -83 | 50 | 7.05 | 0.00 |
| September 2021 Est | 2,391 | 149 | 58 | 19 | 2.74 | - |

* Estimates are those of the Company.

* Unit: Million yen, yen.

This Bridge Report reports earnings results of INTERTRADE Co., Ltd. for the Fiscal Year ended September 2020 and the outlook for earnings estimates for the Fiscal Year ending September 2021.

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Key Points

- For the FY September 2020, sales grew 22.6% year on year and operating profit was 10 million yen (an operating loss of 410 million yen in the previous term). Due to the sale of the mail-order section, the sales of the healthcare business dropped, but the sales of the financial solutions business, which offers mainly “Spider,” and the business solutions business, which provides mainly the integrated management platform “G-MAN@e²,” increased. As for profit, the profitability of the healthcare business improved through the sale of the mail-order section while cost reduction progressed, and operating profit moved into the black for the first time in 4 terms. Due to the posting of investment loss on equity method, ordinary profit fell into the red, but thanks to the posting of extraordinary profit, net profit was in the black.
- For the FY September 2021, it is estimated that sales will increase 8.9% year on year and operating profit will be 140 million yen. The financial solutions business, in which the sales from already-ordered large-scale projects will be posted, will drive sales growth. As for profit, INTERTRADE HEALTHCARE Co., Ltd. will continue upfront investment for identifying the components of “silent estrogen” and clarifying its action mechanism, but the cost will be offset by sales growth, and operating profit is estimated to expand from 10 million yen in the previous term to 140 million yen. Even when the investment loss on equity method is taken into account, ordinary profit is expected to move into the black.
- In the FY September 2020, operating profit was in the black for the first time in 4 terms, and in the FY September 2021, operating profit is estimated to expand. In order to get back to the recovery track, the company plans to expand the scope of its services by incorporating innovative technologies, such as blockchain, AI, IoT, and 5G into “Spider.” The company will grow its financial domain, which is the mainstay, and meet emerging demand in the non-financial field, by actively getting involved in “Society 5.0” and “Fintech,” which represent the future society that can be actualized by adopting innovative technologies in a broad range of industries and societies.

1. Company Overview

INTERTRADE mainly operates the financial solutions business with a focus on development and maintenance services for securities dealing systems. It also operates the business solution business including development of group management packaged software and health care business including manufacturing and sales of supplements and cosmetic products using *sparassis crispa*.

Apart from INTERTRADE, the INTERTRADE Group consists of the following 2 consolidated subsidiaries: 1) BSJ Co., Ltd. (66.7% ownership) which develops and maintains the integrated business management platform called “GroupMAN@IT e²” (the business solutions business); 2) INTERTRADE HEALTHCARE Co., Ltd. (100% ownership), which manufactures and processes *sparassis crispa*, and sells *sparassis crispa*-related products via the Internet and catalog mail orders, and 2 equity method affiliates: 1) Digital Asset Markets, Inc., which deals with crypto asset-related business and 2) Iter Corporation (21% ownership), which is a joint company with JIA Co., Ltd. (7172) and develops and sells solutions, products, and services using the Fintech-related technology.

【Management Philosophy】

- Behavior of the customer point of view
- Curiosity and courage
- Rapid judgment and sincerity
- “Human” and “ties with the people” cherishment

The company believes that “it is essential to challenge with courage and passion for the improvement in the value of products and services. In order to do so, the company must think from the customers’ perspective, take high quality actions, and ensure fast and sincere response.” By doing so, the company will be able to establish true trusting relationships and realize true services in both hardware and software markets. “Customers from all over the world are looking into the monitors we have created. By Using these monitors, the customers can deal with various products of all the countries, such as checking out international news and information in real time, and carry out analysis, simulation and asset management for investment.” The company dreams that, one day, they can talk with their customers across the globe about the history the company has been through.

1-1 Business Contents

The Company’s businesses are composed of the following: the financial solutions business which designs, develops, and sells packaged front systems for securities businesses with securities companies as clients; the business solutions business that designs, develops, and sells corporation-oriented packaged systems with general business firms as their client; as well as the healthcare business including developing and selling healthcare products such as supplements and cosmetics, as well as procuring and selling health-related products to consumers.

The sales composition ratio of each business segment for the FY September 2020 was as follows: 73% for the financial solutions business (70% in the previous term), 18% for the business solutions business (14% in the previous term); and 9% for the healthcare business (16% in the previous term).

Financial Solutions Business

In addition to the securities dealing system “Prospect,” the retail foreign exchange trading system “fortissimo,” and the off-exchange transaction system “ITMonster,” which have been introduced to the general trading participants of Tokyo Stock Exchange, the Company designs, develops, and sells “J1” that is a system for connection with systems used in various stock exchanges, including arrowhead, ToSTNeT, and J-GATE, “MEX&MSR III” which can perform purchase and selling simulations and tuning, such as algorithm programs, and “DPSS” which provides various kinds of information necessary for intelligence trading on trading systems in real-time, chart, and historical-analysis formats. The Company also engages in design, development, and sale of middleware and communications software.

Recently, by utilizing the know-how gained from the products mentioned above, the company has also been developing a solution called “Spider,” which uses the blockchain technology. It is possible to establish a system suited for users’ tasks, by componentizing the functions of the multiple package systems for business operations of financial instruments, which the company has been offering for 20 years since its establishment, storing them in a library, and selecting or integrating the needed functions (components).

“Spider” has been installed “LINE Securities,” an investment service provided by LINE Securities Corporation (Shinagawa-ku, Tokyo. Representative Director and Co-CEO: Noritaka Ochiai and Yoshikazu Yonenaga) for smartphones that allows users to trade on social media application, “LINE”. In the future, the company will strive to contribute to the business expansion of financial institutions and business firms through the library-type solution “Spider,” which can deal with all financial business-related operations.

Business Solutions Business

The Company aims to secure stable sales and profit based on the following 3 pillars: 1) the packaged services with a focus on internally developed integrated business management platforms “Gr-MAN@IT e²” and “Gadics MAN@IT”; 2) the system engineering services (SES) which mainly provides maintenance and operation; and 3) the support center services that offer system design, development, and establishment, and to provide comprehensive multi-vendor, multi-product, and multi-business system support services. BSJ Co., Ltd, one of the Company’s consolidated subsidiaries, engages in development and maintenance of “e².”

Companies often use multiple operational systems for accounting, human resources, payroll, facilities, and materials, and, in many instances, each system is sold by different vendors for each task, or a parent company and its subsidiaries use different systems sold by different vendors for similar tasks, which is making it difficult to control management information, or in other words, business analysis of the entire corporate group through data sharing of each system, in an integrated manner within a company or a corporate group. This is why many companies invest a great amount in constructing a separate system for coordination (major system companies are extremely negative about connecting their own systems with other companies’ systems). In contrast, as “GroupMAN@IT e²” is equipped with a highly flexible interface called “FLEX I/O,” it is possible to connect various data of different vendors or systems. On the other hand, “Gadics MAN@IT” is not offered as a function, but, as a “virtual engineer,” it supports operation and management of personal computers

at low cost on a cloud basis from 4 aspects, including “collection,” “decision making,” “implementation,” and “confirmation.”

Healthcare Business

In the healthcare business, the Company engages in various activities, ranging from cultivation of *sparassis crispa* to sale of *sparassis crispa*-related products (i.e., supplements, health food products, and cosmetic products) under its own brand name, OEM supply, and sale of raw materials for use in cosmetic products that are manufactured using ingredients derived from *sparassis crispa*, both in and outside of Japan. With INTERTRADE taking charge of managing the overall healthcare business, including marketing, INTERTRADE HEALTHCARE Co., Ltd. manufactures and processes *sparassis crispa*, and sells *sparassis crispa*-related products via the Internet. Furthermore, the Company is currently endeavoring to obtain scientific evidence concerning immune-stimulating functions of the components derived from *sparassis crispa* through the research. The human clinical trials carried out in 2013 have confirmed not only that the *sparassis crispa* “LB-Scr” is effective against type-II diabetes, Type-I allergic diseases, and liver function indicators (γ -GTP, GOT, and GPT), and changes in skin type, but also that, through studies of adverse events, it is safe and causes no side effect.

Furthermore, in the healthcare business, the company aims to secure revenues in the other industries in order to diversify the risk, by making a clear distinction from the core systems field that is easily affected by the economic conditions. Also, the company guarantees safety by carrying out integrated production, processing, sales, and research in the Group.

2. Fiscal Year September 2020 Earnings Results

2-1 Consolidated Earnings

| | FY9/19 | Share | FY9/20 | Share | YY Change | Estimate | Divergence |
|---|--------|--------|--------|--------|-----------|----------|------------|
| Sales | 1,791 | 100.0% | 2,195 | 100.0% | +22.6% | 2,450 | -10.4% |
| Gross Profit | 647 | 36.2% | 631 | 28.7% | -2.6% | - | - |
| SG&A | 1,060 | 59.2% | 611 | 27.9% | -42.3% | - | - |
| Operating Profit | -413 | - | 19 | 0.9% | - | 17 | +13.8% |
| Ordinary Profit | -411 | - | -83 | - | - | -60 | - |
| Income Attributable to Owners of Parent | -408 | - | 50 | 2.3% | - | -24 | - |

* Units: Million Yen

Operating profit moved into the black.

Sales were 2.19 billion yen, up 22.6% year on year. Due to the sale of the mail-order section, the sales of the healthcare business dropped 34.2% year on year, but the sales of the financial solutions business, which is the mainstay, rose 28.6% year on year, thanks to the orders for “Spider,” and the sales of the business solutions business increased 59.7% year on year, thanks to the order for a large-scale extension project of “G-MAN@e².”

As for profit, operating profit moved into the black, thanks to the streamlining of development, the progress of cost reduction through in-house production, and the improvement in profitability of the healthcare business through the sale of the mail-order section. An ordinary loss was posted, due to the decline in revenues from subsidies and the worsening of profit/loss on equity method, but the company secured a net profit of 50 million yen, as a gain from changes in equity of 100 million yen, etc. were posted as extraordinary profit.

As for the comparison with the forecast, sales fell below the estimate, because the company did not receive orders as planned due to the prolongation of business negotiations amid the COVID-19 pandemic and the health care business department sold the mail-order section of INTERTRADE HEALTHCARE Co., Ltd., which is a consolidated subsidiary. As for profit, operating profit exceeded the estimate, because cost reduction progressed more than expected and the unprofitable mail-order section was sold. As the investment loss on equity method (100 million yen) of Digital Asset Markets, Inc., which is an equity-method affiliate, was posted, ordinary loss exceeded the estimate, but net profit exceeded the estimate considerably, because a gain from changes in equity (100 million yen) was posted due to the third-party allotment of Digital Asset Markets, Inc.

BRIDGE REPORT



2-2 Segment Sales, Profits Trends

| | FY9/19 | Composition ratio /Profit Ratio | FY9/20 | Composition ratio /Profit Ratio | YY Change |
|-------------------------------|--------------|------------------------------------|--------------|------------------------------------|---------------|
| Financial Solutions | 1,251 | 69.9% | 1,609 | 73.3% | +28.6% |
| Business Solutions | 246 | 13.8% | 393 | 17.9% | +59.7% |
| Healthcare | 293 | 16.4% | 193 | 8.8% | -34.2% |
| Total Sales | 1,791 | 100.0% | 2,195 | 100.0% | +22.6% |
| Financial Solutions | 20 | 1.6% | 369 | 23.0% | +1,737.7% |
| Business Solutions | 18 | 7.7% | 52 | 13.3% | +175.6% |
| Healthcare | -167 | - | -118 | - | - |
| Adjustments | -284 | - | -283 | - | - |
| Total Operating Profit | -413 | - | 19 | 0.9% | - |

* Units: Million Yen

Financial Solutions Business

Sales were 1.6 billion yen, up 28.6% year on year, and profit was 360 million yen (20 million yen in the previous term). As the company received an order for “Spider,” for which the company has conducted R&D, from Digital Asset Markets, Inc., which was reorganized from a consolidated subsidiary into an equity-method affiliate through capital reinforcement, sales and profit increased.

Business Solutions Business

Sales were 390 million yen, up 59.7% year on year, and profit was 50 million yen (10 million yen in the previous term). Sales grew considerably, because the company received an order for the large-scale extension of “G-MAN@e²,” a useful product for data management required for decision making about management strategies, etc. As for profit, profit margin improved, because sales increased and there were many transactions with high profit margins.

Healthcare Business

Sales were 190 million yen, down 34.2% year on year, and loss was 110 million yen (loss of 160 million yen in the previous term). In order to concentrate managerial resources onto the products, OEM, material sale, etc. related to “IT Hanabiratake,” which is produced by the company and has silent estrogen activity, the company sold the mail-order section of INTERTRADE HEALTHCARE Co., Ltd. Accordingly, sales declined, but loss shrank thanks to the sale of the unprofitable section.

2-3 Financial Conditions and Cash Flow(CF)

Summarized Balance Sheet

| | 9/19 | 9/20 | | 9/19 | 9/20 |
|--------------------------|--------------|--------------|---|--------------|--------------|
| Cash, Equivalents | 693 | 527 | Advances Received | 72 | 133 |
| Accounts Receivable | 203 | 393 | Short-term interest-bearing liabilities | 319 | 200 |
| Current Assets | 1,032 | 1,034 | Current Liabilities | 469 | 486 |
| Tangible Assets | 26 | 42 | Noncurrent Liabilities | 3 | 24 |
| Investments, Others | 154 | 332 | Net Assets | 754 | 909 |
| Noncurrent Assets | 195 | 385 | Total Liabilities, Net Assets | 1,228 | 1,420 |

*Units: Million Yen

Total assets as of the end of the term stood at 1.42 billion yen, up 190 million yen from the end of the previous term. The main factors are the increase in accounts receivable due to sales growth and the rise in investment securities, etc. due to the reorganization of the consolidated subsidiary into an equity-method affiliate through capital increase. In the section of liabilities and net assets, interest-bearing liabilities declined, while advances received, and shareholders' equity increased. Capital-to-asset ratio was 63.9% (59.4% at the end of the previous term).

BRIDGE REPORT

**Summarized Cash Flow Statement(CF)**

| | FY9/19 | FY9/20 | Increase/Decrease | YY Change |
|----------------------------------|--------|--------|-------------------|-----------|
| Operating Cash Flow (A) | -433 | -307 | +125 | - |
| Investing Cash Flow (B) | 47 | -20 | -67 | - |
| Free Cash Flow (A+B) | -386 | -328 | +57 | - |
| Financing Cash Flow | 248 | 262 | +14 | +5.9% |
| Cash and Equivalents at Term End | 693 | 527 | -165 | -23.9% |

* Units: Million Yen

Operating CF was negative 3 billion yen because although profit/loss improved, working capital increased. Investing CF is mainly due to security and guarantee deposits. Financing CF was 260 million yen, being in the black because although the company repaid some debts, there were revenues from the payment from non-controlling shareholders.

As a result, the decrease in cash and cash equivalents from the beginning of the term was only 60 million yen (operating CF + investing CF + financing CF), but the term-end balance of cash and cash equivalents dropped 170 million yen from the end of the previous term, as cash, etc. decreased 100 million yen through the transformation of Digital Asset Markets, Inc. from a consolidated subsidiary to an equity-method affiliate.

Reference: ROE Analysis

| | FY9/16 | FY9/17 | FY9/18 | FY9/19 | FY9/20 |
|------------------------------------|--------|--------|--------|--------|--------|
| ROE(%) | 0.40 | -21.21 | -27.45 | -45.53 | 6.19 |
| Net profit to sales ratio (%) | 0.30 | -16.59 | -17.86 | -22.78 | 2.31 |
| Total asset turnover ratio (times) | 1.04 | 1.01 | 1.16 | 1.33 | 1.66 |
| Leverage (x) | 1.29 | 1.26 | 1.32 | 1.50 | 1.62 |

3. Fiscal Year September 2021 Earnings Estimates**3-1 Consolidated Earnings**

| | FY9/20 | Share | FY9/21 Est. | Share | YY Change |
|---|--------|--------|-------------|--------|-----------|
| Sales | 2,195 | 100.0% | 2,391 | 100.0% | +8.9% |
| Operating Profit | 19 | 0.9% | 149 | 6.2% | +670.1% |
| Ordinary Profit | -83 | - | 58 | 2.4% | - |
| Income Attributable to Owners of Parent | 50 | 2.3% | 19 | 0.8% | -61.2% |

* Units: Million Yen

Operating profit is estimated to grow from 10 million yen in the previous term to 140 million yen.

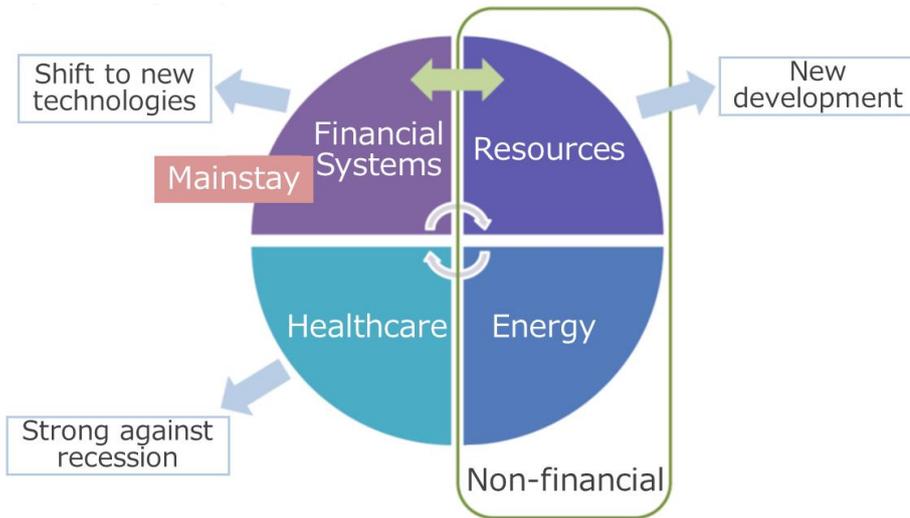
Sales are projected to increase 8.9% year on year to 2.39 billion yen, as the financial solutions business, in which the sales of already-ordered large-scale projects will be posted, will drive sales growth. Operating profit is forecasted to grow from 10 million yen in the previous term to 140 million yen, as INTERTRADE HEALTHCARE Co., Ltd. will continue upfront investment, but it will be offset by sales growth. Even when investment loss on equity method is taken into account, ordinary profit is expected to move into the black.

Activities in each segment

In the financial solutions business, the company will deal with large-scale projects of "Spider," and execute maintenance and enhancement projects for existing customers without fail. It takes some time for "Spider" to contribute to profit on a full-scale basis, but the company will approach enterprises in a broad range of fields, including the non-financial sector, based on its track record. In the business solutions business, the company will promote sales from existing users, and engage in activities for receiving orders for extension projects and executing them, and increasing transactions from the next term onward. In the healthcare business, the company will conduct activities for identifying the components of "silent estrogen" and elucidating its action mechanism for notifying the government of it as a functional food product. For expanding sales, the company will approach leading clients actively and make efforts to popularize "silent estrogen."

3-2 Activities from now on

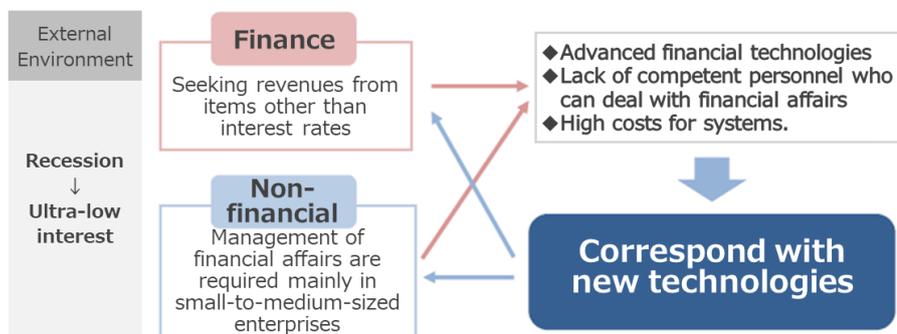
It is said that the economy consists of four sector cycles: finance/systems, resources, energy, and healthcare, and the company aims to develop a system covering all of these sectors to make its business stable. The company has already established the business segments of finance/systems and healthcare. In the mid/long term, the company will develop non-financial domains, including resources and energy. By covering all of the 4 sectors, the company plans to achieve stable growth.



(Source: INTERTRADE)

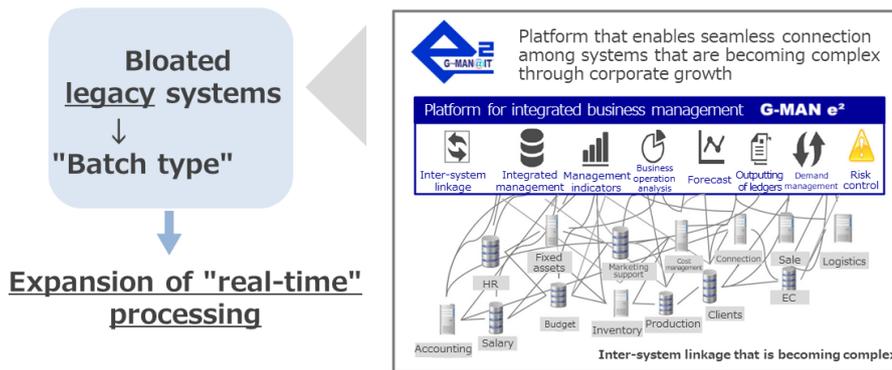
In the non-financial field, the company will pursue Fintech, while expecting that various sectors will be connected to the financial sector through digital technologies. As technologies of blockchain, AI, IoT, and 5G will advance and spread, business chances for the company will increase.

In the financial solutions business, the company will cultivate new promising domains in the Fintech field, by proposing “Spider.” When interest rates are extremely low, financial institutions need to seek revenues from items other than interest rates, and general enterprises (in the non-financial sector) need to manage financial affairs. Both are required to have advanced financial technologies but lack competent personnel who can deal with financial affairs. In addition, they must bear high costs for systems. The company helps them solve such problems, by offering “Spider.”



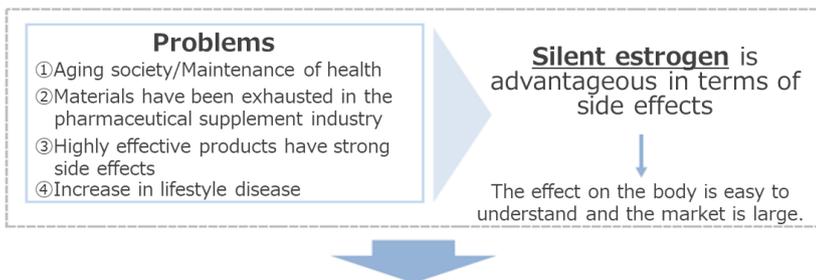
(Source: INTERTRADE)

In the business solutions business, the company will respond to the obsolescence of the mission-critical systems of Japanese business companies. In detail, as digitalization progressed, the existing systems of many business companies were established for each business section, so it is impossible to use data in a cross-sectoral manner. For the enterprises facing difficulty in handling complex, black-box systems, the company will solve these problems and propose new methods for utilizing the systems.



(Source: INTERTRADE)

In the healthcare business, the company will commercialize “silent estrogen” by identifying its components and clarifying its action mechanism, and contribute to the lengthening healthy life expectancy industry.



Identify its components/clarify its action mechanism and make it a business

(Source: INTERTRADE)

4. Conclusions

In the FY September 2020, operating profit was in the black for the first time in 4 terms, and in the FY September 2021, operating profit is estimated to expand. In order to get back to the recovery track, the company plans to expand the scope of its services by incorporating innovative technologies, such as blockchain, AI, IoT, and 5G into “Spider.” By actively getting involved in “Society 5.0” and “Fintech,” which represent the future society that can be actualized by adopting innovative technologies in a broad range of industries and societies, the company will make up for the insufficiencies in the 4 sectors that are required for stable growth.

This is still a conceptual description, and it is difficult to imagine, but the understanding of investors is expected to be deepened as the company produce some results. We would like to pay attention to them as well as the progress of the healthcare business, in which the company will strive to identify the components of “silent estrogen” and elucidate its action mechanism.

<Reference: Regarding Corporate Governance>

◎Organization type, and the composition of directors and auditors

| | |
|-------------------|---|
| Organization type | Company with an audit and supervisory board |
| Directors | 5 directors, including 1 outside one |
| Auditors | 3 auditors, including 2 outside ones |

◎Corporate Governance Report (Updated on Feb. 27, 2020)

Basic concept

The basic goal of the Company's corporate governance is to maximize the Company Group's corporate value. The Company will achieve the basic goal from the perspectives of "Management transparency", "Legal compliance", and "Efficient management".

The management team, led by the President, plays a role to maintain good relationships with the Company Group's stakeholders (e.g. shareholders, customers, business partners, employees). To fulfil this role, it is important to establish and operate a system to understand management situation and disclose information in a timely and appropriate manner in compliance with laws, ordinances, and regulations.

<Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts)>

【Principle 3-1】 Enrichment of information disclosure

(3) The policies and procedure that are adopted by the board of directors for determining the remuneration paid to the senior management and directors

(4) The policies and procedure that are adopted by the board of directors for appointing and dismissing the senior management and nominating candidates for directors and auditors

(5) Explanation given, based on the above (4), by the board of directors about individual appointments and dismissals of the senior management and nominations of candidates for directors and auditors

With regard to (3), (4), and (5), although our Company has not released any specific contents at this moment, we have carried out the following internal proceedings or procedure:

(3) Regarding the policies and procedure adopted by the board of directors for determining the remuneration paid to the senior management and directors, while the company does not adopt productivity-linked remuneration for our directors and executive officers, their remuneration will be determined based on the comprehensive evaluation of individuals as well as the company's performance and so within the specified range.

(4) Candidates for directors are selected by the board of directors under the policy of selecting qualified persons capable for fulfilling the assigned duty based on their personality, insight, experience, achievements, etc. Although clear procedures have not been established for dismissal, the board of directors will review each situation, and decisions not to re-appoint will be made based on the company's performance, how well the targets for the fiscal year were achieved, and advice from outside directors and outside corporate auditors. The matter may also be discussed at the general shareholders' meeting. Candidates for auditors will be requested to take the position including personnel who possess knowledge about management tasks, shows a high level of expertise, and has a strong sense of ethics. After consent is given by the board of auditors, the board of directors will make a final decision.

(5) Regarding explanations given, based on the above (4), by the board of directors about individual appointments and dismissals of the senior management and nominations of candidates for directors and auditors, our Company describes appointments and nominations in the management meeting and the whole company meeting held, in principle, once every month.

【Principle 4-8】 Effective use of independent outside directors

At present, the number of outside directors is only 1, but we consider that the outside director supervises strategy designing and business administration in a balanced manner. However, we are thinking of increasing outside directors, and if we foster trusting relationships with personnel who possess advanced experience and technical skills and agree with the management principles of our company, we

will proactively consider requesting them to become our outside directors.

【Principle 4-9】 Criteria for judging the independence of outside directors and their qualities

Original criteria for judging the independence of outside directors have not been formulated, but we appoint outside directors in accordance with the requirements set forth in the Companies Act and the standards specified by Tokyo Stock Exchange. We put importance on outside directors' contribution and will be mindful of securing personnel and the appropriate number of outside directors.

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

【Principle 5-1】 Policy for constructive dialogue with shareholders

Our company conducts IR tasks in the management section, mainly led by the representative director and president. We hold a results-briefing section once a year and disclose its scenes in our website. We also hold individual meetings when necessary.

This report is intended solely for information purposes, and is not intended as a solicitation to invest in the shares of this company. The information and opinions contained within this report are based on data made publicly available by the Company, and comes from sources that we judge to be reliable. However, we cannot guarantee the accuracy or completeness of the data. This report is not a guarantee of the accuracy, completeness or validity of said information and or opinions, nor do we bear any responsibility for the same. All rights pertaining to this report belong to Investment Bridge Co., Ltd., which may change the contents thereof at any time without prior notice. All investment decisions are the responsibility of the individual and should be made only after proper consideration.

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