

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: ITFOR Inc.  
 Listing: Tokyo Stock Exchange Prime Market  
 Securities code: 4743  
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 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	14,364	(0.7)	2,374	(11.6)	2,496	(9.9)	1,686	(11.6)
December 31, 2023	14,462	15.7	2,684	24.8	2,771	24.4	1,906	25.9

Note: Comprehensive income For the nine months ended December 31, 2024: ¥1,632 million/(23.5%)  
 For the nine months ended December 31, 2023: ¥2,134 million/39.3%

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2024	62.29	---
December 31, 2023	69.91	69.74

Note: In calculating "Earnings per share" and "Diluted earnings per share," the shares of the Company held by "Stock Grant Trust for Officers" are included in the treasury stock which is excluded in calculation of the average number of shares during the period.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-total assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2024	22,222	18,535	83.4	687.41
March 31, 2024	23,996	18,836	78.5	695.75

Reference: Equity As of December 31, 2024: ¥18,535 million  
 As of March 31, 2024: ¥18,830 million

### 2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	---	0.00	---	40.00	40.00
Fiscal year ending March 31, 2025	---	25.00	---		
Fiscal year ending March 31, 2025 (Forecast)				25.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: This document is a translation of the Japanese original document for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese document, the original shall prevail.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	22,000	6.5	3,800	1.7	3,850	0.1	2,750	(0.7)	101.99

Notes: 1. Revisions to the forecast of consolidated financial results most recently announced: None  
2. In calculating "Earnings per share," the shares of the Company held by "Stock Grant Trust for Officers" are included in the number of treasury stock at the end of the period, which is excluded from the number of issued shares at the end of the period.

\* Notes

- (1) Significant changes in the scope of consolidation during the period: None  
New: --- (Company Name: \_\_\_\_\_), Exclusion: --- (Company Name: \_\_\_\_\_)
- (2) Application of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes  
For details, refer to "2. Quarterly Consolidated Financial Statements and Major Notes (3) Explanatory Notes to Quarterly Consolidated Financial Statements (Application of Accounting Methods Specific to the Preparation of Quarterly Consolidated Financial Statements)" on p. 9 of the attached materials.
- (3) Changes in accounting policy and accounting estimates, and retrospective restatement
- |  |      |
|--|------|
| 1) Changes in the accounting policy in connection with revision of the accounting standards, etc.: | Yes  |
| 2) Changes in the accounting policy other than 1) above:   | None |
| 3) Changes in the accounting estimates:  | None |
| 4) Retrospective restatement:  | None |
- (4) Number of outstanding shares (common stock)
- 1) Number of issued shares at the end of the period (including treasury stock):
- |                          |                   |
|--------------------------|-------------------|
| As of December 31, 2024: | 28,611,900 shares |
| As of March 31, 2024:    | 28,611,900 shares |
- 2) Number of shares of treasury stock at the end of period:
- |                          |                  |
|--------------------------|------------------|
| As of December 31, 2024: | 1,648,008 shares |
| As of March 31, 2024:    | 1,547,498 shares |
- 3) Average number of shares outstanding during the period:
- |                                      |                   |
|--------------------------------------|-------------------|
| Nine months ended December 31, 2024: | 27,067,440 shares |
| Nine months ended December 31, 2023: | 27,277,471 shares |

Note: Treasury stock which is excluded in calculation of the number of shares of treasury stock at the end of period and the average number of shares during the period includes the shares of the Company held by "Stock Grant Trust for Officers."

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary).

\* Appropriate use of the financial forecast and other matters  
(Matters to be noted for statement about the future)

Forward-looking statements such as forecasts of financial results in this material are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and does not make assurances of the achievement thereof by the Company. Actual financial results may differ significantly due to various factors. For the conditions constituting the precondition of the forecast of financial results and the matters to be noted in using the forecast of financial results, refer to "1. Qualitative Information concerning Current Quarterly Financial Results (3) Explanation about Future Forecast Information, including Forecast of Consolidated Financial Results" on p. 4 of the attached materials.

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## 1. Qualitative Information concerning Current Quarterly Financial Results

### (1) Explanation about Financial Results

During the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024), the Japanese economy saw a moderate recovery as demand from foreign visitors to Japan, private consumption, and the employment situation showed signs of improvement. On the other hand, the outlook remains uncertain due to impact from the prolonged invasion of Ukraine by Russia and rising tensions in the Middle East, as well as sharp fluctuations in exchange rates owing to interest rate policies in Japan and the United States.

In the domestic IT service industry that surrounds ITFOR Inc. (the “Company”) and its consolidated subsidiaries (together with the Company, the “Company Group”), the need for improving productivity and addressing labor shortages is strong, and companies continue to show a strong willingness to invest, mainly in DX (digital transformation) that transforms business processes and business models by utilizing advanced digital technologies such as AI.

To achieve sustainable growth in these circumstances, the Company Group released its new long-term vision for FY2033, “HIGH FIVE 2033.” Led by this vision, the Company Group will utilize its current business base to expand and extend into new areas, establishing businesses that drive economy within a region, with the aim of becoming a company that creates businesses which generate regional economic circulation. Through our businesses, we will contribute to creating quality time for people. To achieve this “HIGH FIVE 2033,” we launched “FLY ON 2026,” our 4<sup>th</sup> Medium-Term Management Plan for the three years from FY2024 through FY2026. Based on the three pillars of reinforcing the management base, enhancing profitability and advancing ESG management, defined in the 3<sup>rd</sup> Medium-Term Management Plan, we will tackle the challenges of dynamically developing our existing businesses and achieving drastic growth through new businesses. In line with this theme, we are conducting activities led by our three categories of strategies: business strategy, human resource strategy, and corporate value enhancement strategy.

As for our sales activities, our packaged systems, including “SCOPE,” our personal loan operation support system, and “WELCOME,” the web-based loan application and contract system that enables non-face-to-face operations, are highly competitive as we are the only packaged system vendor that can combine and offer these systems, and we have begun receiving orders from Shinkin Banks in addition to our target clients of regional banks. These systems contribute to reducing the time required for credit screening while providing environmental benefits by reducing the number of paper application forms and digitizing contract documents. Moreover, we captured replacement demand from existing customers following the release of the cloud service version of the new “Servicer TCS (delinquent loan management system)” in June 2024. In addition, we saw steady growth in sales of “Robotic Call,” an unmanned system for delinquent loan reminders that helps solve the problem of personnel shortages caused by the declining working age population, “iRITSpay Payment Terminal,” multi-payment terminals aligned with the Ministry of Economy, Trade and Industry’s policy of promoting cashless payment, and system maintenance service. On the other hand, with regard to new orders, in the public sector, we were impacted by the effects of delays in the progress of the standardization of regional government systems, and that multi-year contracts for business process outsourcing (BPO) services in the previous fiscal year are in their second year or later. Additionally, the multi-payment terminal “iRITSpay Payment Terminal” is in the transitional period to Android-based devices. As a result, new orders were ¥12,424 million (78.2% on a year-on-year basis) and order backlogs were ¥14,659 million (87.7% on a year-on-year basis).

Furthermore, gross margins declined temporarily due to impact from the wage revision implemented in April 2024 and an increase in personnel expenses of development human resources. Selling, general and administrative expenses increased to ¥3,103 million (108.5% on a year-on-year basis) as a result of focusing on human resources investments such as increases in hiring and training expenses.

As a result, the financial results for the nine months ended December 31, 2024 were net sales of ¥14,364 million (99.3% on a year-on-year basis), operating income of ¥2,374 million (88.4% on a year-on-year basis), ordinary income of ¥2,496 million (90.1% on a year-on-year basis), and net income attributable to owners of the parent of ¥1,686 million (88.4% on a year-on-year basis), recording a decrease in both sales and profit. However, the results of the nine months ended December 31, 2024, including new orders and order backlogs, are generally in line with our targets.

Financial results by reporting segment are as follows:

(System Development and Sales)

With regard to new orders, our core businesses including software system development for financial institutions, such as “SCOPE,” the personal loan operation support system, and renewal of infrastructure equipment have been solid, as planned. However, in the public sector we were affected by delays in the progress of the standardization of regional government systems. Additionally, the multi-payment terminal “iRITSpay Payment Terminal” is in the transitional period to Android-based devices. In terms of net sales, sales of “iRITSpay Payment Terminal” and of communications systems for use in societal infrastructure were solid. On the other hand, sales to financial institutions were impacted by postponement of certain projects to the fourth quarter. As a result, new orders were ¥7,017 million (80.6% on a year-on-year basis), net sales were ¥7,630 million (93.4% on a year-on-year basis), and segment income was ¥1,108 million (76.3% on a year-on-year basis).

(Recurring Business)

In addition to maintenance services that are a stable source of earnings, BPO services for the public sector, mainly for ordinance-designated cities and core cities, have continued to be strong, with additional orders from existing customers and sales from new customers. Meanwhile, orders were impacted by multi-year contracts for BPO services received in the previous fiscal year being in their second year or later. As a result, new orders were ¥5,406 million (75.3% on a year-on-year basis), net sales were ¥6,733 million (107.0% on a year-on-year basis), and segment income was ¥1,265 million (102.8% on a year-on-year basis).

## (2) Explanation of Financial Position

Total assets as of December 31, 2024 were ¥22,222 million, a decrease of ¥1,773 million as compared with the end of the previous fiscal year. Current assets were ¥17,650 million, a decrease of ¥1,847 million. This was mainly due to an increase in inventories of ¥145 million, offset by decreases in securities of ¥1,503 million and notes, accounts receivable-trade, and contract assets of ¥1,299 million. Fixed assets were ¥4,571 million, an increase of ¥73 million.

Total liabilities as of December 31, 2024 were ¥3,687 million, a decrease of ¥1,472 million as compared with the end of the previous fiscal year. Current liabilities were ¥3,375 million, a decrease of ¥1,503 million. This was mainly due to decreases in accounts payable-trade of ¥572 million, in corporate income tax and other taxes payable of ¥394 million, and in provision for bonuses of ¥377 million. Fixed liabilities were ¥311 million, an increase of ¥30 million.

Net assets as of December 31, 2024 were ¥18,535 million, a decrease of ¥301 million as compared with the end of the previous fiscal year. This was mainly due to an increase of ¥1,686 million as a result of recording of net income attributable to owners of the parent, offset by a decrease of ¥1,768 million as a result of year-end and interim dividend payments from retained earnings.

As a result, the equity-to-total assets ratio was 83.4% compared to 78.5% as of the end of the previous fiscal year.

## (3) Explanation about Future Forecast Information, including Forecast of Consolidated Financial Results

As for the forecast of the full-year consolidated financial results, there is no change from the forecast announced on May 9, 2024.

Forecasts of financial results are based on information available at the time of announcement and certain assumptions that the Company deems reasonable. However, actual financial results may differ significantly from the forecasts due to various factors, and the forecasts themselves are subject to change.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit: thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	4,356,350	4,325,968
Notes, accounts receivable-trade and contract assets	4,539,168	3,239,454
Securities	9,599,513	8,096,438
Inventories	686,100	831,234
Other	317,256	1,157,712
Total current assets	19,498,389	17,650,810
Fixed assets		
Tangible fixed assets	832,927	802,755
Intangible fixed assets		
Goodwill	7,437	-
Other	423,513	466,732
Total intangible fixed assets	430,950	466,732
Investments and other assets		
Investment securities	2,479,046	2,464,920
Deferred tax assets	99,833	104,177
Other	655,215	733,114
Total investments and other assets	3,234,095	3,302,213
Total fixed assets	4,497,973	4,571,700
Total assets	23,996,362	22,222,510

(Unit: thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	1,187,216	614,964
Corporate income tax and other taxes payable	748,346	353,454
Provision for bonuses	640,650	262,953
Contract liabilities	1,017,321	965,368
Other	1,285,257	1,178,948
Total current liabilities	4,878,791	3,375,689
Fixed liabilities		
Liabilities for retirement benefit	209,214	207,339
Provision for stock-based remuneration	67,414	86,014
Other	4,278	18,248
Total fixed liabilities	280,906	311,602
Total liabilities	5,159,698	3,687,291
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,124,669	1,124,669
Capital surplus	1,221,189	1,250,620
Retained earnings	16,798,657	16,716,032
Treasury stock	(1,261,612)	(1,449,814)
Total shareholders' equity	17,882,902	17,641,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	952,183	896,877
Deferred gains or losses on hedges	2	1,616
Remeasurements of defined benefit plans	(5,046)	(4,783)
Total accumulated other comprehensive income	947,139	893,710
Stock acquisition rights	6,622	---
Total net assets	18,836,664	18,535,219
Total liabilities and net assets	23,996,362	22,222,510



(2) Quarterly Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Quarterly Consolidated Income Statement

Consolidated Cumulative Third Quarter

(Unit: thousands of yen)

	Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Net sales	14,462,623	14,364,552
Cost of sales	8,917,589	8,887,319
Gross profit on sales	5,545,033	5,477,232
Selling, general and administrative expenses	2,860,187	3,103,208
Operating income	2,684,846	2,374,023
Non-operating income		
Interest income	2,537	12,416
Dividend income	58,964	77,054
Gain on sale of investment securities	---	15,382
Share of profit of entities accounted for using equity method	14,711	4,715
Miscellaneous income	21,119	26,029
Total non-operating income	97,333	135,598
Non-operating expenses		
Commissions fee	4,654	3,300
Loss on retirement of fixed assets	2,380	2,164
Foreign exchange losses	150	5,948
Miscellaneous losses	3,570	1,264
Total non-operating expenses	10,755	12,677
Ordinary income	2,771,424	2,496,944
Extraordinary income		
Gain on reversal of stock acquisition rights	2,750	3,588
Total extraordinary income	2,750	3,588
Net income before income taxes	2,774,174	2,500,532
Corporate income taxes	867,267	814,409
Net income	1,906,906	1,686,123
Net income attributable to owners of the parent	1,906,906	1,686,123

Quarterly Consolidated Statement of Comprehensive Income  
Consolidated Cumulative Third Quarter

(Unit: thousands of yen)

	Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Net income	1,906,906	1,686,123
Other comprehensive income		
Valuation difference on available-for-sale securities	228,752	(55,376)
Deferred gains or losses on hedges	(1,158)	1,614
Remeasurements of defined benefit plans	20	262
Share of other comprehensive income of affiliates accounted for using equity method	137	70
Total other comprehensive income	227,751	(53,428)
Comprehensive income	2,134,658	1,632,694
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	2,134,658	1,632,694
Comprehensive income attributable to non-controlling interests	---	---

### (3) Explanatory Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

No applicable matters.

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

No applicable matters.

(Application of Accounting Methods Specific to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

For tax expenses, the effective tax rate is reasonably estimated after application of tax effect accounting for net income before income taxes in the fiscal year including the nine months ended December 31, 2024 and these are calculated by multiplying the quarterly net income before income taxes by the estimated effective tax rate.

(Changes in Accounting Policies)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, the "Revised Accounting Standard of 2022") and related accounting guidance since the beginning of the three months ended June 30, 2024.

With regard to the revision concerning where to recognize current income taxes (taxes on other comprehensive income), the Company has followed the transitional treatments provided for in the proviso clause of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatments provided for in proviso clause of paragraph 65-2(2) of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the "Revised Implementation Guidance of 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

As for the revision related to the change in the treatment in consolidated financial statements of tax deferral of gain on sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Implementation Guidance of 2022 since the beginning of the three months ended June 30, 2024. This change in accounting policies has been applied retrospectively, and the quarterly consolidated financial statements for the nine months ended December 31, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024 have been restated accordingly. This change in accounting policies has no impact on the quarterly consolidated financial statements for the nine months ended December 31, 2023 and the consolidated financial statements for the fiscal year ended March 31, 2024.

(Segment Information)

1. Overview of reportable segments

(1) Method of determining reportable segments

The reportable segments of the Company Group are components of the Company Group for which separate financial information is available, and which are subject to review by the Board of Directors on a regular basis to determine the allocation of management resources and evaluate performance.

The Company Group is composed of segments classified based on the business characteristics of products and services, and has two reportable segments: “System Development and Sales” and “Recurring Business.”

(2) Types of products and services that belong to each reportable segment

“System Development and Sales” segment mainly engages in the sale of system equipment, and provides integrated services ranging from design and development to implementation and installation related to software and system infrastructure networks.

“Recurring Business” segment mainly provides software maintenance, hardware maintenance and operation, cloud, and BPO services.

2. Information on net sales and income or loss by reportable segment

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Unit: thousands of yen)

	Reportable segment			Adjustment	Amount recorded in the Quarterly Consolidated Financial Statements
	System Development and Sales	Recurring Business	Total		
Net sales					
Net sales to external customers	8,168,704	6,293,918	14,462,623	---	14,462,623
Intersegment sales or transfers	4,359	1,780	6,139	(6,139)	---
Total	8,173,064	6,295,698	14,468,762	(6,139)	14,462,623
Segment income	1,453,437	1,231,409	2,684,846	---	2,684,846

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Unit: thousands of yen)

	Reportable segment			Adjustment	Amount recorded in the Quarterly Consolidated Financial Statements
	System Development and Sales	Recurring Business	Total		
Net sales					
Net sales to external customers	7,630,865	6,733,686	14,364,552	---	14,364,552
Intersegment sales or transfers	---	1,335	1,335	(1,335)	---
Total	7,630,865	6,735,021	14,365,887	(1,335)	14,364,552
Segment income	1,108,603	1,265,420	2,374,023	---	2,374,023

(Notes to Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the current consolidated cumulative third quarter have not been prepared. Depreciation (including amortization related to intangible fixed assets other than goodwill) and goodwill amortization for the consolidated cumulative third quarters were as indicated below.

	(Unit: thousands of yen)	
	Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	231,834	250,509
Goodwill amortization	40,604	7,437