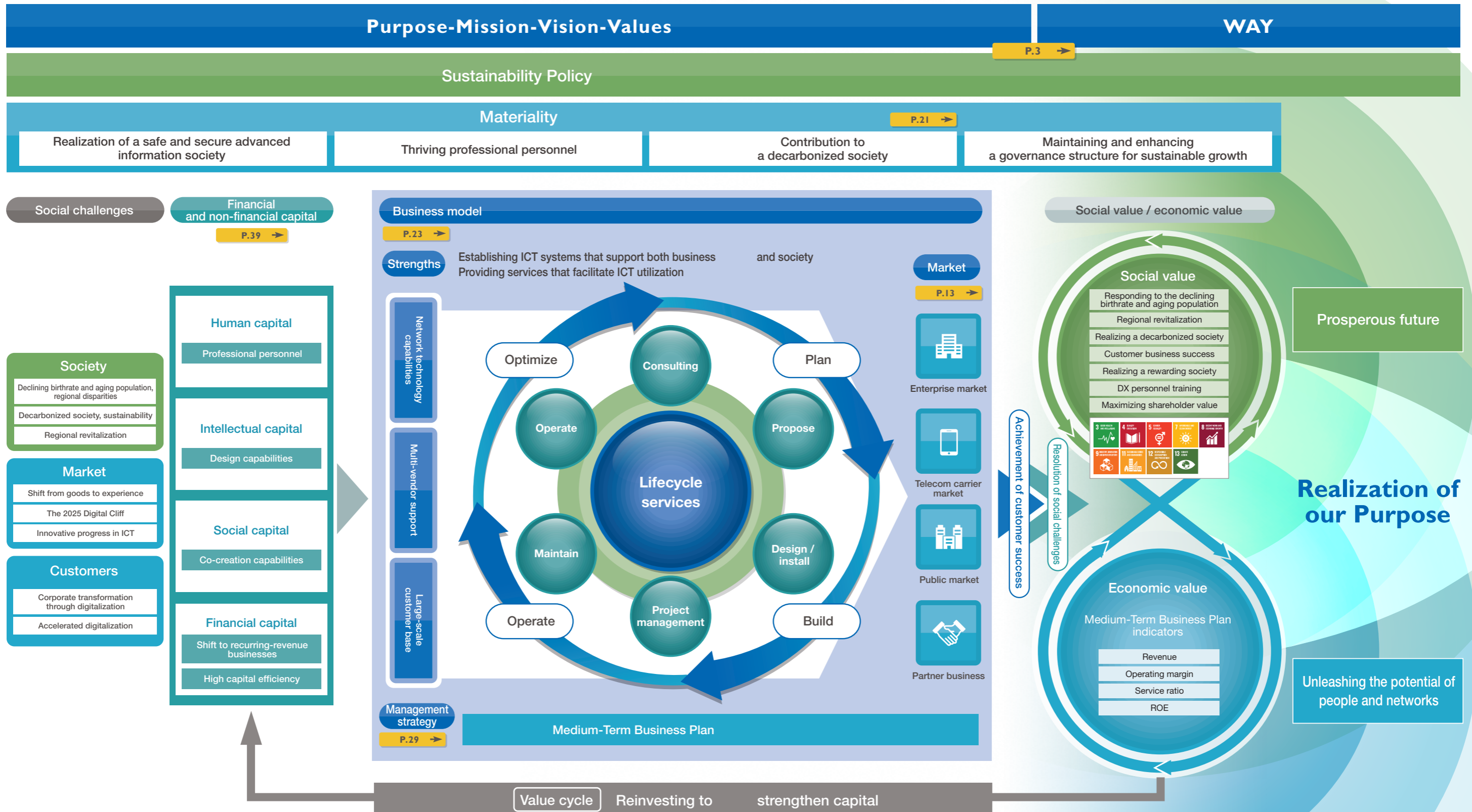


As we strive to realize our Purpose, we will leverage our network-related strengths to achieve customer success while creating both social and corporate value.

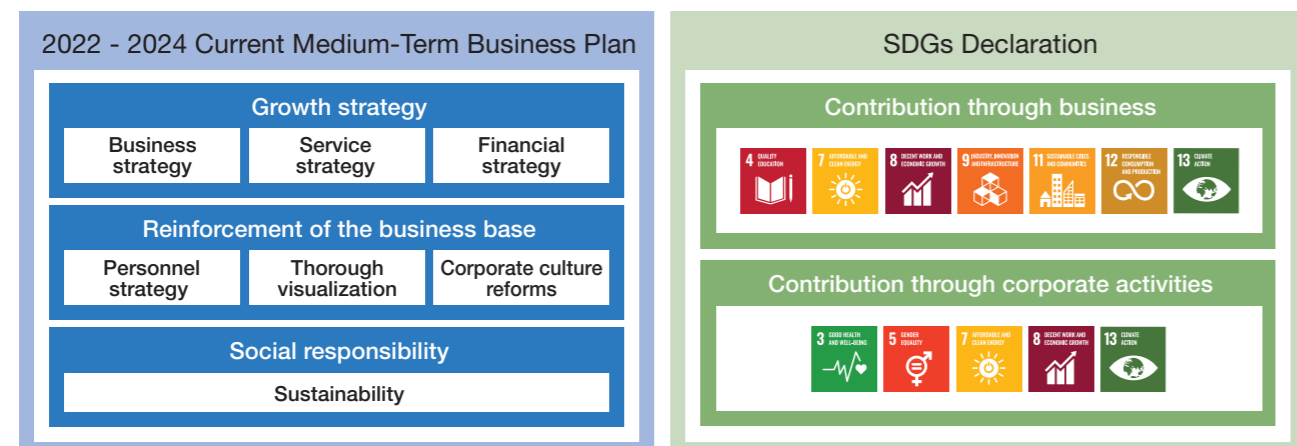
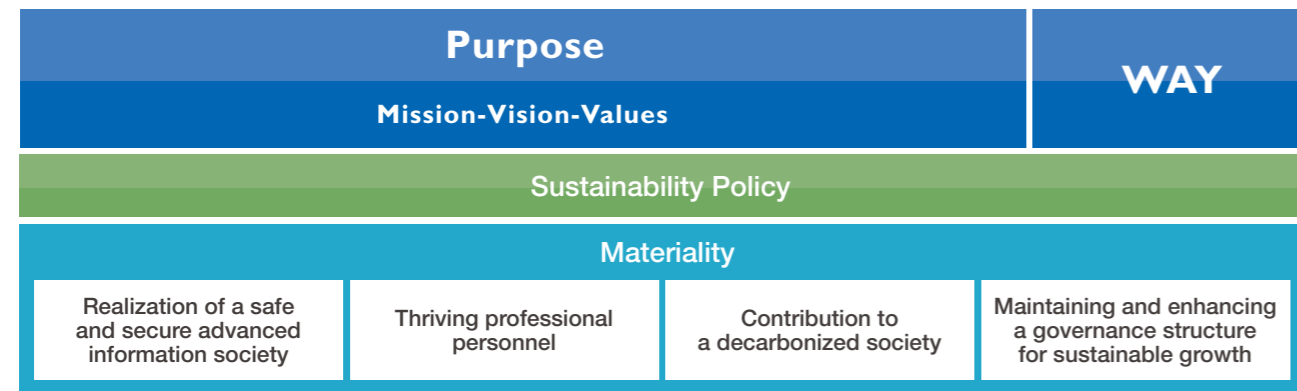
The Net One Group establishes optimal systems from an objective and neutral standpoint by leveraging its network technology capabilities, its multi-vendor support, and the critical assessment skills developed through its large client base. Additionally, by making full use of the practical usage expertise we have accumulated by applying technologies internally before introducing them at client facilities, we are able to resolve social challenges through the facilitation of customer success.



We will identify opportunities and risks for sustainable growth as materialities, in order to promote sustainability management.

Overview of sustainability management

We have identified materialities as key challenges for sustainable growth, based on our corporate philosophy system, including our Purpose, and sustainability policy. Materialities are incorporated into specific initiatives in our current Medium-Term Business Plan and SDGs Declaration.



Positioning and identifying materialities

We have assigned an order of priority to opportunities and risks for our sustainable growth, based on their degree of impact on both business growth and solving social challenges, and have identified four challenges of particularly high importance as materialities.

Realization of a safe and secure advanced information society Initiatives Policy We will contribute to realizing a safe and secure advanced information society through high-quality services, with our strength in network technology as our core.	Thriving professional personnel Initiatives Policy In order to achieve sustainable growth, we will train and secure diverse personnel, who are the source of our competitiveness, and build a work environment where each employee can play an active role.	Contribution to a decarbonized society Initiatives Policy We will address climate change by both reducing greenhouse gas emissions through business, and reducing the environmental impact of our own business processes.	Maintaining and enhancing a governance structure for sustainable growth Initiatives Policy In order to improve corporate value, we will strengthen governance and work to reform our corporate culture, so as to build stronger relationships of trust with stakeholders.
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In order to further promote sustainability management, we identify challenges of high importance as materialities from the perspective of opportunities and risks for sustainable growth, then set KPIs, and manage progress. In addition, we announced our contribution to the SDGs through our materiality initiatives in our SDGs Declaration.

Materiality KPIs and contribution to SDGs

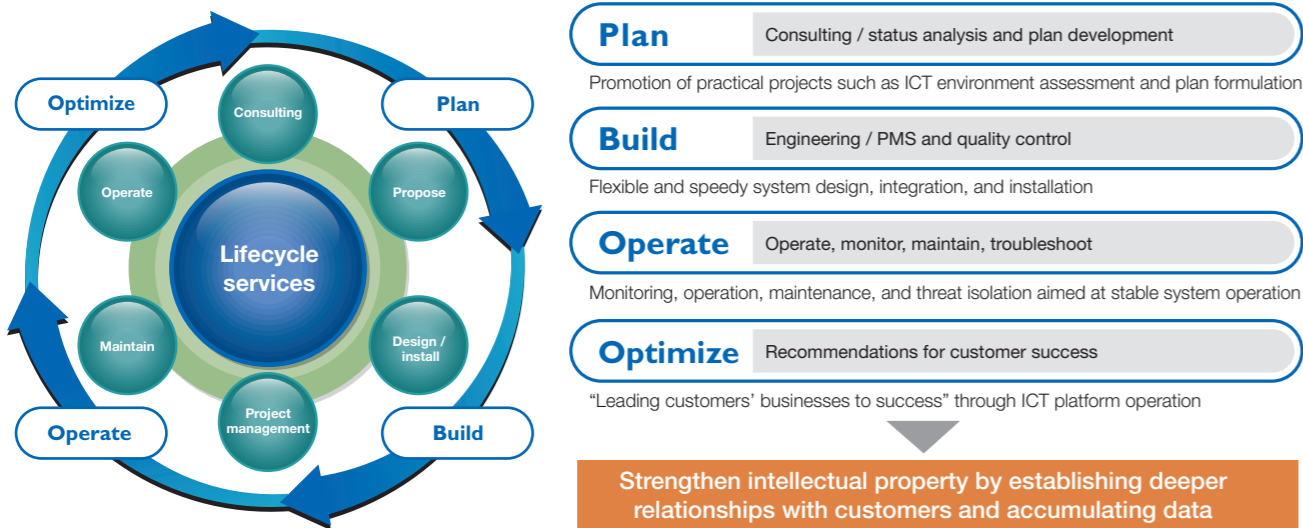
Realization of a safe and secure advanced information society			
Theme 1	KPI	Fiscal 2022 results	
Provide solutions and services by challenge and domain We aim to grow our business and realize a sustainable society, by providing social challenge-solving solutions and services, centered on the three focus areas of the current Medium-Term Business Plan: Digital government, Society 5.0, and Smart manufacturing.	<ul style="list-style-type: none"> Revenue of social challenge-solving solutions (three focus areas of the current Medium-Term Business Plan) Fiscal 2024 target: 30.0 billion yen 	¥7.2 billion	
Theme 2	KPI	Fiscal 2022 results	
Expand and promote the service business As the ICT market reaches a major turning point, we will accelerate our shift to a business model centered on the service business, in order to achieve sustainable growth over the medium to long term.	<ul style="list-style-type: none"> Service ratio Fiscal 2024 target: 55% 	45.2%	
Thriving professional personnel			
Theme 1	KPI	Fiscal 2022 results	
Train IT personnel for the next generation In order to become more competitive in the solutions services for business growth, we will strengthen the training of security personnel and cloud personnel, and also focus on the acquisition of DX skills with the aim of strengthening the functions of our corporate departments. We will also contribute to the training of future ICT personnel by providing learning opportunities that utilize Net One's intellectual property, for students who will lead the next generation.	<ul style="list-style-type: none"> Security personnel (parentheses show the number of personnel as of March 2021) CISSP holders Fiscal 2030 target: 80 (22) Registered information security specialists (RISSs) Fiscal 2030 target: 100 (41) 	23 / 24 (fiscal 2022 target) 51 / 46 (fiscal 2022 target)	
	<ul style="list-style-type: none"> Cloud personnel (parentheses show the number of personnel as of March 2021) Front department Fiscal 2030 target: 50% increase in cloud personnel (232) 	448 / 239 (fiscal 2022 target)	
	<ul style="list-style-type: none"> DX personnel (data analysis qualification holders) Corporate division Fiscal 2030 target: 150 people increase Business improvement proposals: 100 (cumulative total from Fiscal 2022 to 2030) 	23 / 25 (fiscal 2022 target) 7 proposals	
	<ul style="list-style-type: none"> Train ICT personnel for the next generation Expanding next-generation IT personnel training programs through industry-academia collaboration 	Underway	
Theme 2	KPI	Fiscal 2022 results	
Promotion of diversity and inclusion We will strive to improve productivity and promote creation of innovation by developing environments and systems that allow diverse personnel to recognize each other and make the most of their individual qualities.	<ul style="list-style-type: none"> Ratio of female managers (parentheses show the number of personnel as of March 2021) Fiscal 2030 target: 15% (6.5%) 	7.8%	
	<ul style="list-style-type: none"> Ratio of newly hired female graduates (parentheses show the number of personnel as of March 2021) Fiscal 2030 target: 50% (35.5%) 	28.6% / 35.5% (fiscal 2022 target)	
	<ul style="list-style-type: none"> Male employees taking paternity leave and special leave for childbirth Fiscal 2030 target: 90% 	68.0%	
Contribution to a decarbonized society			
Theme 1	KPI	Fiscal 2022 results	
Reduce greenhouse gas emissions through business We will both contribute to realization of a decarbonized society and achieve growth of our own company by developing and providing "green solutions" that contribute to reducing greenhouse gas emissions in our customers and society.	<ul style="list-style-type: none"> Expansion of green solutions Develop and expand solutions and services that contribute to reducing greenhouse gas emissions in our customers and society. 	Three solutions created: 1. Remote support 2. Data erasure certification services 3. Visualization of data center electricity usage	
Theme 2	KPI	Fiscal 2022 results	
Reduce emissions in the business processes of our Company We will strive to reduce risks caused by climate change by reducing emissions in our own business processes and supply chains.	<ul style="list-style-type: none"> Expansion of sales of low power consumption products and services Reduce CO₂ emissions per purchase / selling price, focusing reduction efforts on the purchase and sale of products and services, which account for the majority of CO₂ emissions. 	Scope 2 and 3 25.6% reduction of carbon intensity per unit of revenue / 3.5% reduction* (fiscal 2022 target) *Preliminary value before confirmation of some emissions data	
Maintaining and enhancing a governance structure for sustainable growth			
Theme 1	KPI	Fiscal 2022 results	
Foster the corporate culture and enhance internal controls We will foster a corporate culture that embodies the new Net One, as well as strengthen internal controls, including measures to prevent the recurrence of scandals.	<ul style="list-style-type: none"> Conduct an annual employee awareness survey as part of our efforts to foster the corporate culture (Future disclosure of survey results planned) 	Survey distributed to all employees at end-September	
	<ul style="list-style-type: none"> Progress report on recurrence prevention measures The operational status of recurrence prevention measures is reported on our website once every six months. 	Operational status details for 2H FY2022 disclosed through the Company's website	
Theme 2	KPI	Fiscal 2022 results	
Realization of Health and Productivity Management® We will work on health and productivity management to maintain the physical and mental health of our employees, which is essential for business growth and continuation.	<ul style="list-style-type: none"> Certification as an Outstanding Organization of Health and Productivity Management Fiscal 2024 target: Be a Certified Health and Productivity Management Organization (METI system) 	Underway	

We will accelerate our shift toward services as we aim to resolve social challenges and improve profitability by facilitating customer success.

In accordance with its Medium-Term Business Plan, the Net One Group is committed to a shift toward services. Accordingly, we are creating services that provide new value to our customers by widely sharing innovative examples of full customization while standardizing and automating associated processes.

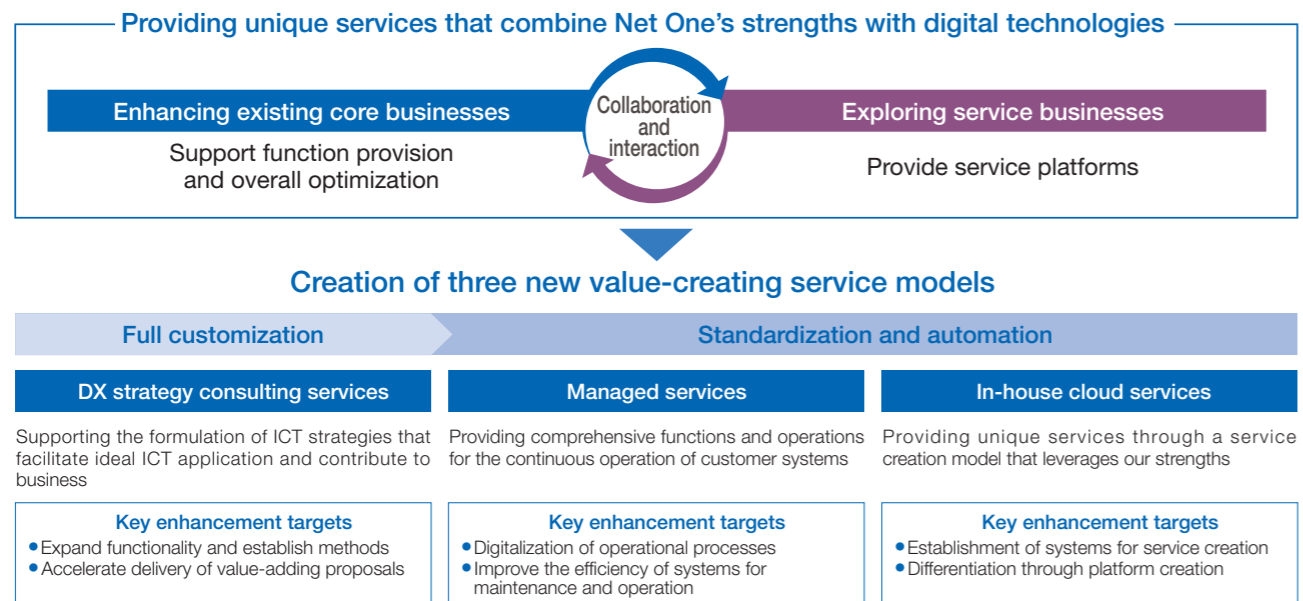
Full details of our business model (P-B-O-O)

The Net One Group supports its clients throughout their ICT lifecycles, providing optimal solutions and services by leveraging its strong ability to combine cutting-edge technologies related to networks and other essential elements of modern business. At the same time, we establish increasingly extensive relationships with our customers through a wide range of proposals aimed at optimizing a broad spectrum of processes spanning from operational improvements to the formulation of medium- to long-term grand designs.



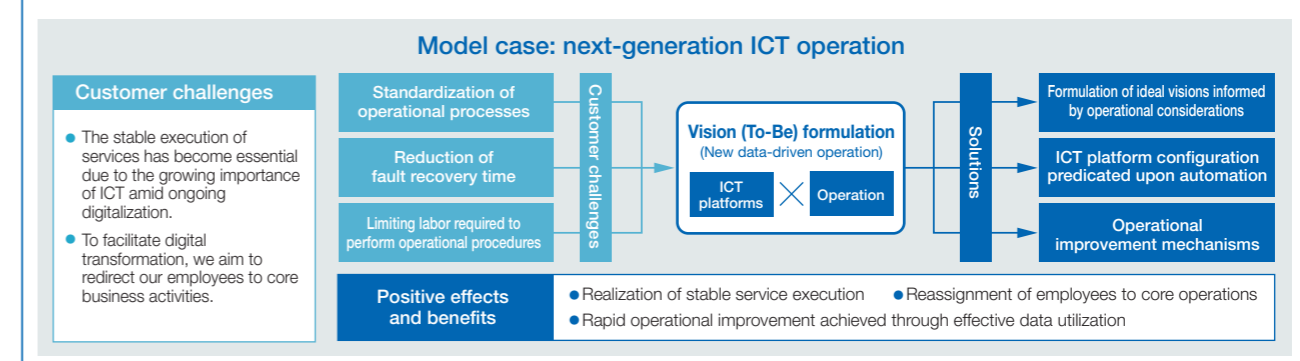
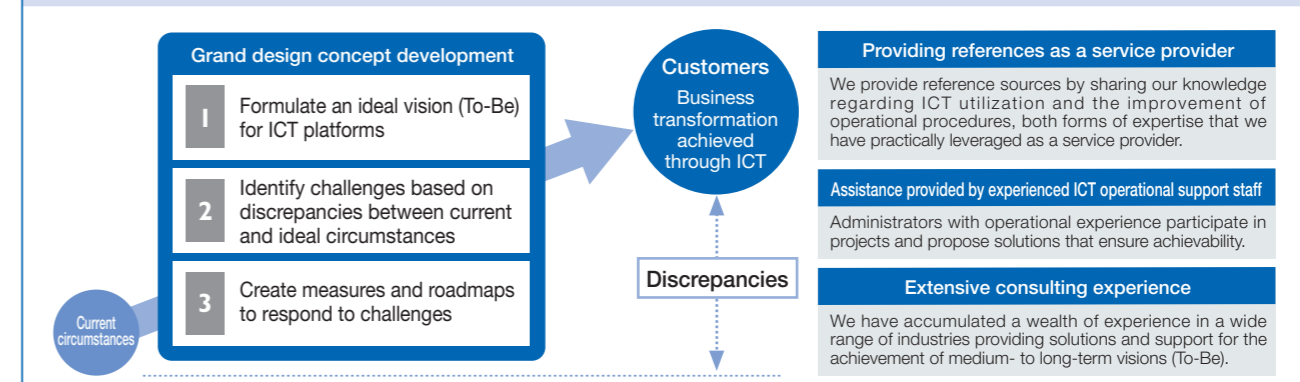
Creation of new value through our shift toward services

By exploring service business opportunities made possible through efforts aimed at strengthening our core businesses, we will establish three new value-creating services. At the same time, we will establish function-providing services and platforms and strengthen our recurring-revenue businesses.



Example Full customization ICT management transformation support services

We support the formulation of highly achievable designs and plans by applying the expertise we have generated through our delivery of services covering a comprehensive range of procedures extending from strategy development to operation and improvement. Accordingly, we will establish a cohesive vision (To-Be), provide support facilitating the achievement of this vision (guidance), and collaborate with our clients as they aim to achieve their objectives.



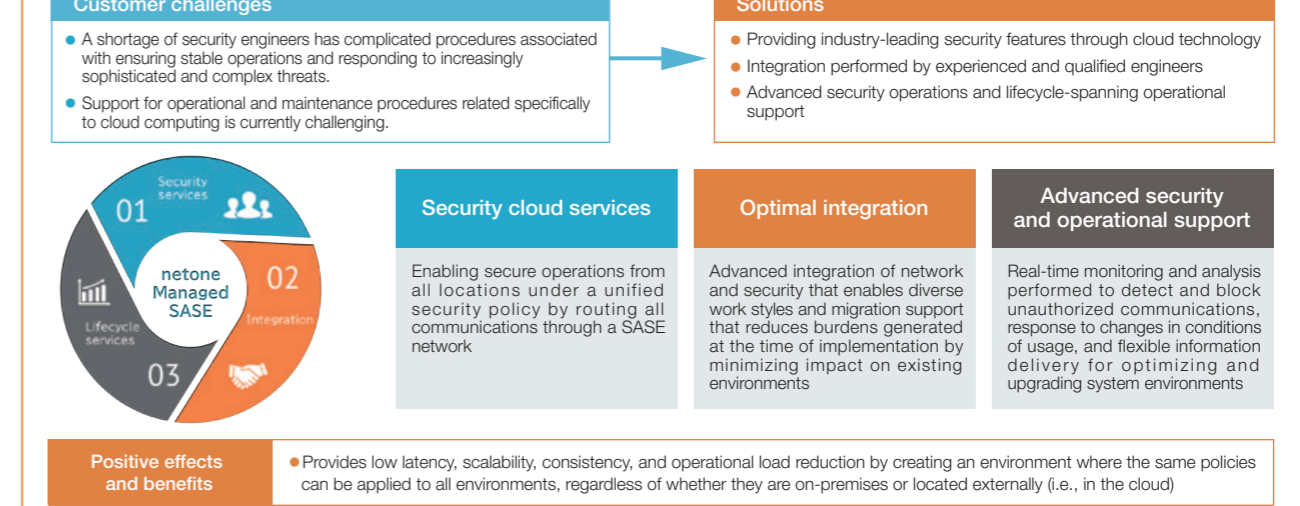
Example Standardization and automation Managed services

As various cloud technologies emerge and associated systems become more complex, we will provide a comprehensive range of functions and services spanning from system implementation and operation to security measures, thereby enabling our customers to maintain stable system operations.



Model case: netone Managed SASE

Providing comprehensive services for next-generation network systems utilizing the SASE^{*1} cloud architecture model



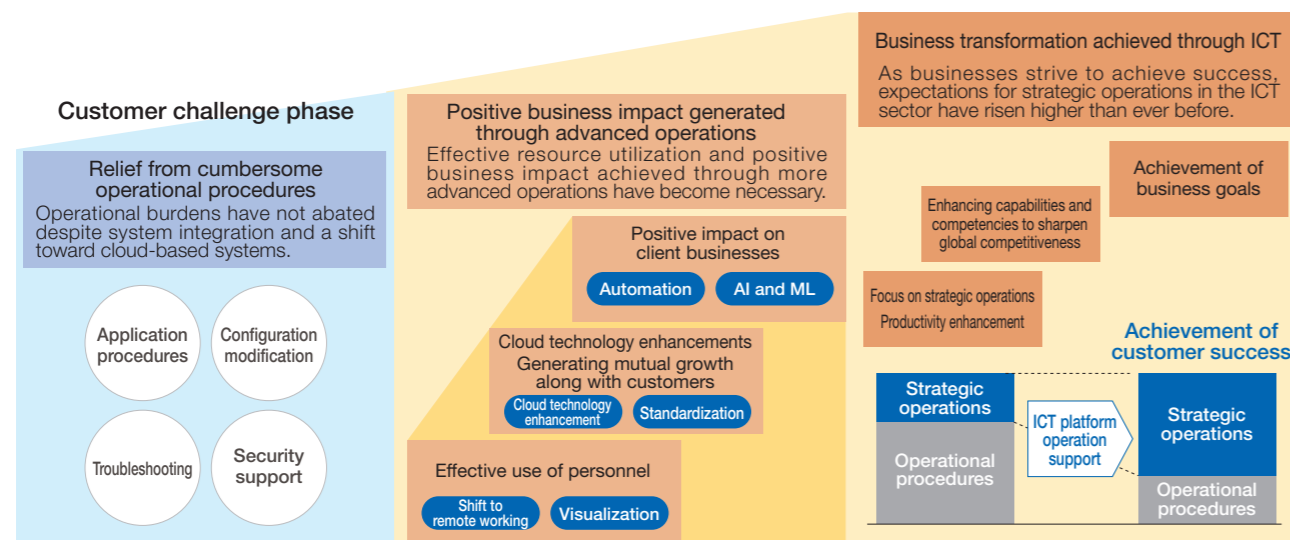
*1 Secure access service edge (SASE): a mechanism that delivers a combination of network and network security functions through the cloud

We are transforming our service model to facilitate enhanced customer success.

We are transforming our service model, shifting toward a more service-oriented approach as we aim to enhance customer success. By expanding our service platform and redesigning our service portfolio, we will be able to provide more comprehensive support and ensure optimal delivery of services to our customers.

Customer success facilitated by the Net One Group

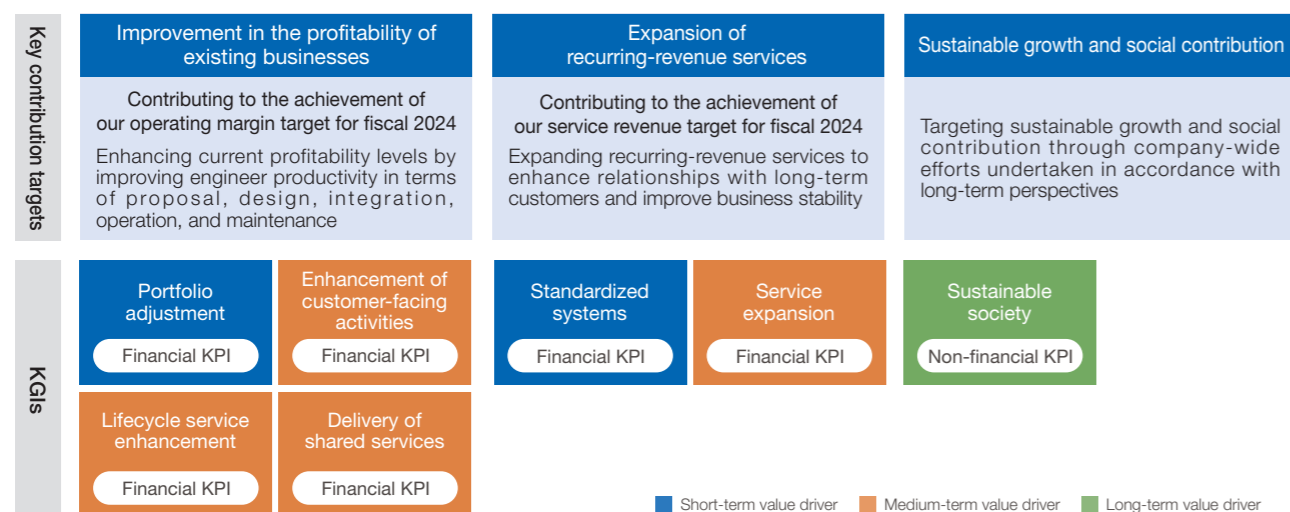
Our Group defines facilitating customer success as “providing value in excess of expectations and enabling the success of client business operations through ICT platform operation.” By providing lifecycle-spanning support, we free our clients from cumbersome operational procedures and enable them to invest in more high-priority strategic activities.



Generating synergy between engineering divisions through common KPIs and KGIs

To achieve customer success, we have established common KPIs and KGIs among our three engineering divisions and are ensuring cooperation among these divisions as we aim to achieve these indicators. To enhance engagement, we have included customer-facing metrics among our KGIs. Through the application of these standards, we are generating synergy between our engineering divisions, thereby fostering the delivery and expansion of services that address the challenges of our customers.

Common KPIs and KGIs for engineering divisions



Service model transformation: redesigning our service portfolio (Managed ONE)

Up until the present, the Net One Group’s model for operational support has focused on deploying personnel to operate ICT platforms on behalf of clients, thereby freeing up time for these clients to concentrate on core business activities. However, the nature of system operations continues to change dramatically as technology becomes increasingly sophisticated. Accordingly, the Net One Group believes that clients require both visions of ideal operation and services that leverage cutting-edge technologies. Commensurate with this viewpoint, we have revamped our portfolio of operational services and assigned it the title of “Managed ONE.”

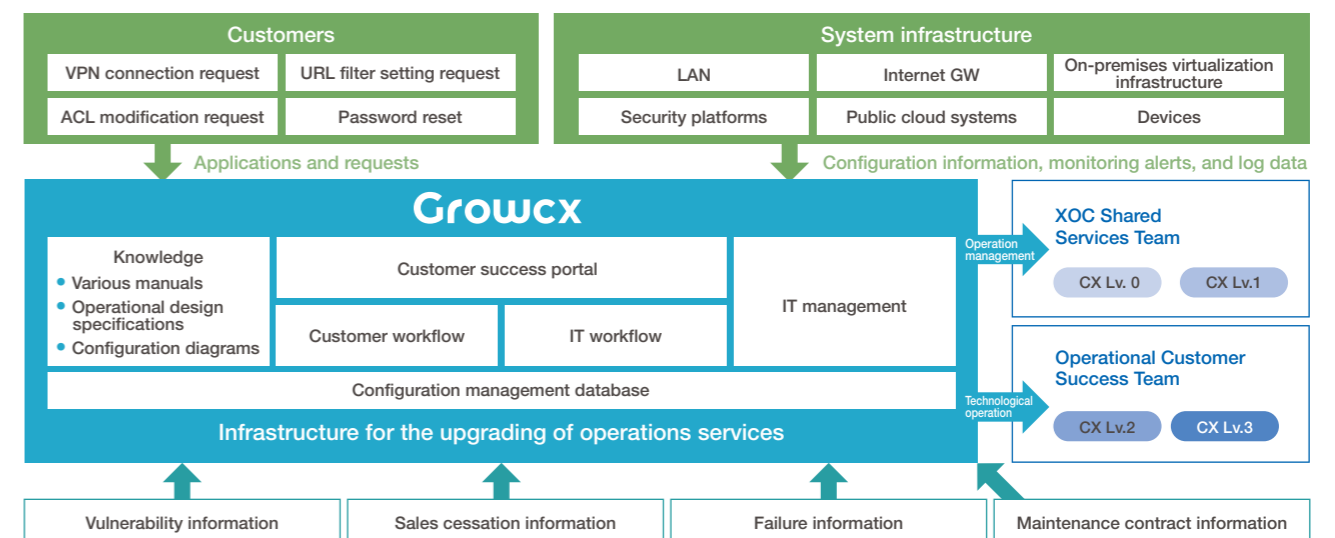
Through Managed ONE, we aim to improve the speed and quality of services rendered to customers, as well as raise the levels of satisfaction thereby generated, by focusing intensively on providing standardized services. Additionally, through linkage with our service models and the development of a digital platform that can be shared among the Net One Group, its customers, its partners, and its vendors, we will provide optimal services tailored to the needs of our clients.

Managed ONE service portfolio

	CX Lv.0	CX Lv.1 System maintenance and management services			CX Lv.2 Professional operations services			CX Lv.3 Co-creation strategy support services			
	Product maintenance	Monitoring	Service desk	Operations services	Operational management	Lifecycle support	Operational design	Assessment	Security strategy development support	IT strategy formulation support	IT business administration support
Business apps											
Security	Hardware maintenance	Security monitoring	Inquiry	Bug and vulnerability information	Incident management	Upgrade assistance	Definition of operational requirements	Security assessment	Security assessment and analysis	Business assessment	Customer IT business /
Cloud technology	Software maintenance	System monitoring	Application	Inquiry response	Problem management	Project support	Operational design	Operational assessment	To-Be model development	To-Be model development	IT services operational support
ICT platforms	Vendor services		Reception desk	Configuration modification	Change management	Facilitation of ICT use and application	Creation of operational flows		Action plan development	Action plan development	
ICT platforms			Troubleshooting	Configuration management		Creation of ledgers					
Digital platforms	cUstnet		Growcx								
Service delivery system	Shared								Named		

Enhancement of operations services: expansion of service model platform (Growcx)

We provide various services through our Growcx service platform to facilitate more advanced operation. Growcx is a system designed to resolve security and cost-related challenges and help eliminate burdensome procedures. It accomplishes these objectives by appropriately storing collected information in a configuration management database, which is then provided to support efficient service management and steady operations, regardless of the vendor who installed the existing systems. By centrally managing a range of operational information spanning from contract data to usage status-related details, Growcx is able to analyze current conditions and propose improvements, thereby assisting customers as they formulate future plans.



We will strengthen our management capital to support value creation as we strive to build a more robust business base.

Management capital, including personnel, technology and expertise, and trust-based relationships maintained with customers and partners, is essential to the value creation efforts of the Net One Group. By strengthening this capital, we will further enhance our business model and competitive advantages, thereby generating expansion in the value we create. Moving forward, we will incorporate efforts to strengthen critical capital into our management strategy as a materiality-related endeavor while building a solid business base to drive further gains in corporate value and sustainable growth.

	 Management capital	 Professional personnel	 Design capabilities	 Green ICT	 Co-creation capabilities
Definition of capital	The Net One Group has accumulated experience through its own business successes and failures while leveraging this expertise to provide value to its customers and grow its operations. All of our employees' knowledge and experience enable us to create added value, so our personnel are the source of our competitiveness. To advance our shift toward a service-based business model, each of our personnel will help provide value to society by pursuing high levels of expertise, enhancing each other's communication skills, and fully demonstrating their individual abilities to carry out flawless operations as members of a larger team.	To ensure we retain our status as a strategic partner that provides support throughout entire ICT lifecycles, covering all aspects from grand design planning for ICT strategies to system integration and operation with a holistic perspective of optimization, we must accomplish the critical objective of establishing systems through which we can effectively utilize the experience, expertise, and intellectual property accumulated by the Net One Group throughout its existence. Utilizing an approach focused on taking on and resolving challenges, we will design ICT platforms indispensable for the application of digital technologies; unleash their full potential; adjust technologies, thereby allowing them to be utilized as standardized services; and efficiently roll out these services on a wide scale.	The network technology that we have developed over the years since our founding as a company specializing in the integration of network systems constitutes the core competence of the Net One Group. Among other abilities, this technology enables us to utilize data in support of business operations through network connectivity, integrate ICT platforms allowing for data application that is secure and in keeping with proper governance, and leverage advanced technologies to facilitate effective data usage. Unleashing the full potential of these technologies, we will create innovation and form partnerships as we aim to create new solutions.	Adopting the approach of a multi-vendor group independent from the influence of manufacturers and capital affiliations, the Net One Group is able to maintain a neutral standpoint and utilize its extensive range of collaborative relationships and idea exchange channels to identify ideal ICT product combinations that fully leverage the characteristics of these products while establishing optimal systems for its clients. Aiming to become an effective advisor for the digital age, we have created ecosystems and co-creation-based relationships through which we can accelerate ICT implementation along with clients and vendors. Moving forward, we will encourage engagement that facilitates digital transformation across society while ensuring that this transformation incorporates advanced technologies and reflects the overall concept of digital transformation.	
Specific examples, and current status, of capital	<ul style="list-style-type: none"> ● Security personnel : 23 CISSP holders 51 registered information security specialists (RISSs) ● Cloud personnel : 448 front division staff members ● Ratio of female managers: 7.8% 	<ul style="list-style-type: none"> ● About 1,500 technical staff members ● XOC (COPC® certification), SOC ● Service portfolio revamp ● Sales and technical news 	<ul style="list-style-type: none"> ● Expansion of green solutions ● Remote support ● Data erasure certification services ● Visualization of data center electricity usage 	<ul style="list-style-type: none"> ● INNOVATION SHOWCASE (advanced technology demonstration) ● Lab as a Service (LaaS) ● Net One Blog ● Customer satisfaction improvement activities 	
Relevant materiality	<ul style="list-style-type: none"> ● Train IT personnel for the next generation ● Promotion of diversity and inclusion ● Realization of Health and Productivity Management® 	<ul style="list-style-type: none"> ● Provide solutions and services by challenge and domain ● Expand and promote the service business 	<ul style="list-style-type: none"> ● Provide solutions and services by challenge and domain ● Reduce greenhouse gas emissions through business 	<ul style="list-style-type: none"> ● Provide solutions and services by challenge and domain ● Expand and promote the service business 	
Initiatives targeting greater strength	<ul style="list-style-type: none"> ● Reform our personnel system to facilitate achievement of our management strategy ● Training of security, cloud, and DX personnel ● Industry-academia collaboration 	<ul style="list-style-type: none"> ● Expand and ensure wider implementation of priority services and standardized systems ● Re-create technological infrastructure to create new value ● Achieve synergy through consolidation of engineering divisions 	<ul style="list-style-type: none"> ● Develop green solutions ● Decarbonization market research and GX personnel development ● Identification of co-creation partners 	<ul style="list-style-type: none"> ● Proof of concept and joint verification carried out along with customers and vendors ● Enhancement of customer-facing activities ● Ecosystem building 	
Using our innovation center to “create innovation that resolves social challenges within a free, collaborative space”					