

Financial Results Presentation

for the First half of the Fiscal Year Ending March 31, 2025

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Company Outline

Company Outline

- Company name: Systema Corporation
- Established: March 1983
- Fiscal period: March
- Listed monetary and commodities exchange: TSE Prime Market
- Capital stock: 1,513,750,000 yen
- Number of outstanding shares: 425,880,000 shares

- Directors
 - Representative Director and Chairman: Yoshichika Hemmi
 - Director and President: Kenji Miura
 - Senior Managing Director: Shingo Hemmi
 - Executive Managing Director: Hiroshi Kotani
 - Director: Makoto Taguchi
 - Director: Hiroyuki Fujii
 - Outside Director: Kouichi Ogawa
 - Outside Director: Mari Itoh
 - Outside Director: Keirou Hemmi
 - Outside Director: Rikizou Kurosaki

- Audit & Supervisory Board Members
 - Full-time Outside Audit & Supervisory Board Member: Toshiji Arita
 - Outside Audit & Supervisory Board Member: Yoshihiro Nakamura
 - Outside Audit & Supervisory Board Member: Hiroshi Adagawa
 - Outside Audit & Supervisory Board Member: Nobushige Tokuono


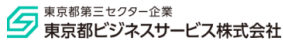









- Number of employees Non-consolidated: 4,267 / Consolidated: 5,758
(as of October 1, 2024)

Business	Descriptions
Solution Design Business	<ul style="list-style-type: none"> ▶ Planning, design, development and verification support for various products and telecommunications services ▶ Planning, design, development and verification support for net businesses, business apps, web services, social infrastructure-related systems, IoT, artificial intelligence and robotics-related services
Next-generation Mobility Business	<ul style="list-style-type: none"> ▶ Provision of in-house services including engineering and MaaS to the automotive industry, with a focus on automotive OEMs and suppliers
Framework Design Business	<ul style="list-style-type: none"> ▶ Development of financial (non-life and life insurance, banks), industrial, public sector and other mission-critical systems ▶ Development of infrastructure systems
IT & DX Service Business	<ul style="list-style-type: none"> ▶ Provision of IT outsourcing services including helpdesks, user support, system operation and maintenance, PMO, data entries, mass output, software testing and quality assurance and DX support
Business Solutions Business	<ul style="list-style-type: none"> ▶ Sale of IT-related products including servers, PCs, peripheral equipment and software to corporations ▶ Provision of services related to IT equipment including infrastructure building and virtualization ▶ Provision of RPA solutions
DX & Subscription Business	<ul style="list-style-type: none"> ▶ Provision of proprietary services Canbus., Cloudstep and Web Shelter ▶ Provision of and installation support for cloud-based services including Google Workspace and Microsoft 365 ▶ Provision of PMO and direction services that support DX implementation under the brand Canbus.Lab
Other	<ul style="list-style-type: none"> ▶ In the overseas domain, technical support related to mobile telecommunications, development and verification support, the provision of various solutions, and trend research / commercialization of the latest technologies and services ▶ In the investment and development field, the planning, development and sale of game content for smartphones and tablets



Group companies

Domestic consolidated subsidiaries ▶

Group companies	Capital / Investment Ratio	Business Descriptions
 ProVision ProVision Co., Ltd.	85 million yen 99.6%	- Comprehensive net services business based on development support and quality assessment for mobile device apps and internet content
 東京都第三セクター企業 東京都ビジネスサービス株式会社 Tokyoto Business Service Co., Ltd.	100 million yen Systema Corporation: 51%, Tokyo Metropolitan Government: 49%	- Data entry, volume output, mailing, proxy dispatch, proxy administrative office services, proxy administrative processing (Model company for the employment of people with severe disabilities as a joint venture with the Tokyo Metropolitan Government)
 株式会社ティーピーエスオペレーション TBSOPERATION Co., Ltd.	40 million yen Tokyoto Business Service Co., Ltd. 100%	- Employment transition support business and employment continuation support business based on the Act on Comprehensive Support for Persons with Disabilities - Occupational training business for people with disabilities and others
 IDY IDY Corporation	65 million yen 76.7%	- Development, manufacturing and sales of IoM® (IoT/M2M) 5G gateways, LTE routers, DCM terminals, antennas for IoM® and 5G and LTE femtocell base stations
 GaYa GaYa Co., Ltd.	75 million yen 100%	- Planning, development and provision of social games for smartphones - Contracted development and development support
 MINGAL MINGAL, Inc.	100 million yen 60.0%	- Development, distribution, maintenance and operation of cloud services relating to professional practice
 HiS Group HOKUYO INFORMATION SYSTEM HISホールディングス株式会社 HIS Holdings, Inc.	95 million yen 25.0%	- System development, packaged software development and sale, and sale of IT equipment - Near-shore development based in Sapporo
 systema Systema America Inc.	28 million US dollars 100%	- US-based mobility and mobile-related software development and verification support business, corporate DX support service utilizing proprietary Canbus. product, concept business development utilizing start-ups, trend research and commercialization of latest technologies and services in the US
 systema Systema Vietnam Co., Ltd.	200,000 US dollars 100%	- Software development and quality evaluation - Operation and maintenance - General IT services
 STRONGKEY StrongKey, Inc.	7.65 million US dollars 28.8%	- Development and sale of data encryption and password-less authentication web servers for security measures - Development and sale of FIDO authentication, PKI and tokenization solutions
 one ONE Tech, Inc.	6 million US dollars 50.0%	- Development and sale of AI solutions and Micro AI (edge AI) aimed at streamlining manufacturing processes and data monitoring in the manufacturing industry

Domestic equity-method affiliates ▶

Overseas consolidated subsidiaries ▶

Overseas equity-method affiliates ▶



1. Financial Results for First Half of 2025/3 (Consolidated)

2Q 2025/3 Results

Financial Results for First Half of 2025/3 (Consolidated)

(in millions of yen)

Net Sales and Profit at Each Stage	2025/3		YoY Change			
	H1 Results	Profit Ratio	H1 2024/3 Results	Profit Ratio	Amount	%
Net sales	40,092	-	37,521	-	2,571	6.9%
Operating profit	5,573	13.9%	4,368	11.6%	1,205	27.6%
Ordinary profit	5,410	13.5%	4,334	11.6%	1,075	24.8%
Profit attributable to owners of parent	3,726	9.3%	2,976	7.9%	750	25.2%

Financial Results (Consolidated)

- Reallocated management resources and improved productivity
- Promoted the expansion of high value-added businesses including consulting services supporting DX promotion in the software development business, etc. and PMO projects.
- Focused on recurring business to secure revenue

Main Financial Indicators

(in millions of yen)

Indicators	As of October 31, 2024	As of March 31, 2024	Change
Equity capital	30,237	38,099	(4,612)
Interest-bearing debt	1,550	1,550	0
Debt-to-equity ratio	5.13%	4.45%	0.68%pt
Equity ratio	66.7%	70.8%	(4.1) %pt

By Segment (Net Sales / Operating Profit, YoY)

■ **Solution Design Business: 8,957 million yen (-4.1%) / 1,457 million yen (+81.2%)**

- With an eye to a shift to cross-technological solutions in the areas of development for social infrastructure, product and DX service domains, we collaborated with other groups in the Company and changed our structure to strengthen our approach to customers.
- We reassigned personnel and effectively deployed them to stimulate proposals for solving customers' problems and for cultivating new demand.

■ **Next-generation Mobility Business: 2,229 million yen (+109.3%) / 812 million yen (+300.9%)**

- We secured a growing number of orders leveraging the experience we have cultivated in mobile development, including automotive cockpit and automotive software development solutions including in-vehicle infotainment (IVI) and cockpit domain controllers (CDC).
- There was an increase in business inquiries thanks to proactive investment and activities aimed at in-house services to support software-defined vehicles (SDV).
- There was also a steady stream of inquiries regarding peripheral services through sharing and mobility.
- A joint project with Systema America Inc. was started.

■ **Framework Design Business: 3,869 million yen (+16.7%) / 804 million yen (-0.2%)**

- In the financial sector, we saw steady performance with a focus on maintenance and development for mission-critical systems, Inquiries concerning DX-related projects including the development of new services to improve customer contact points and cloud utilization are on the rise.
- In the public sector, an increase in development projects stemming from the “My Number” individual number system increased, leading to an expansion of orders, In relation to infrastructure, projects to migrate systems to government cloud services also expanded, driving sales growth.
- We strengthened measures for DX solutions mainly through low-code development, Under our lab framework we have tapped into customer needs through integrated maintenance and development services, leading to expanded orders.

By Segment (Net Sales / Operating Profit, YoY)

■ IT & DX Service Business: 9,489 million yen (+6.0%) / 1,187 million yen (-13.1%)

- We received numerous inquiries about business standardization and automation from companies creating new business models.
- We focused on collaborative PMO services that supported business enhancement, such as encouraging the operation of different tools after introducing or reconstructing business processes.
- We also started proposing new service options to customers' IT investment plans and IT events.
- In the DX verification service, we sought extra orders from existing customers and cultivated new customers in the enterprise area, tapping our experience in situations where customers in the net business and game sectors faced difficulties.

■ Business Solution Business: 13,812 million yen (+3.8%) / 1,081 million yen (+11.7%)

- Despite uncertainty over the future due to the weak yen and high prices of resources and goods, we strengthened sales activities aimed at boosting competitiveness through the utilization of DX and AI.
- In the system integration business, we received orders for migration to a cloud environment for digitalization, system development projects, and maintenance services.
- In the second quarter, we saw an increase in replacement projects attributable to the termination of support for Windows 10 in October 2025. Plans for the second half increased. We further stepped up proposal activities.
- The number of inquiries increased for projects that require one-stop services, high value-added solutions that include the understanding of roadmaps, the introduction of IT equipment, the construction of IT infrastructure, the utilization of the cloud and the development of systems, as well as maintenance/operation projects.

■ DX & Subscription Business: 1,494 million yen (+20.5%) / 224 million yen (+40.5%)

- Strong inquiries regarding the generative AI and **Canbus.**-based facilitation of DX.
- The number of orders for PMO and integration for operational reforms increased from the customers using **Canbus.** to facilitate their DX.
- We carried out service planning for the purpose of widening the lineups of **Canbus.** services for specific industries or for specific applications.

Net Sales and Profit at Each Stage	2024/3 Results							(in millions of yen)	
	1Q	2Q	H1	3Q	4Q	H2	Full year	2025/3	2Q Comparison
								H1 Results	Change
Net sales	18,734	18,787	37,521	19,619	19,800	39,419	76,940	40,092	2,571
Operating profit	1,909	2,458	4,368	2,657	2,688	5,345	9,713	5,573	1,205
Ordinary profit	1,781	2,553	4,334	2,760	2,846	5,607	9,942	5,410	1,075
Profit attributable to owners of parent	1,220	1,756	2,976	1,868	2,388	4,256	7,232	3,726	750

YoY Comparison (by Segment)

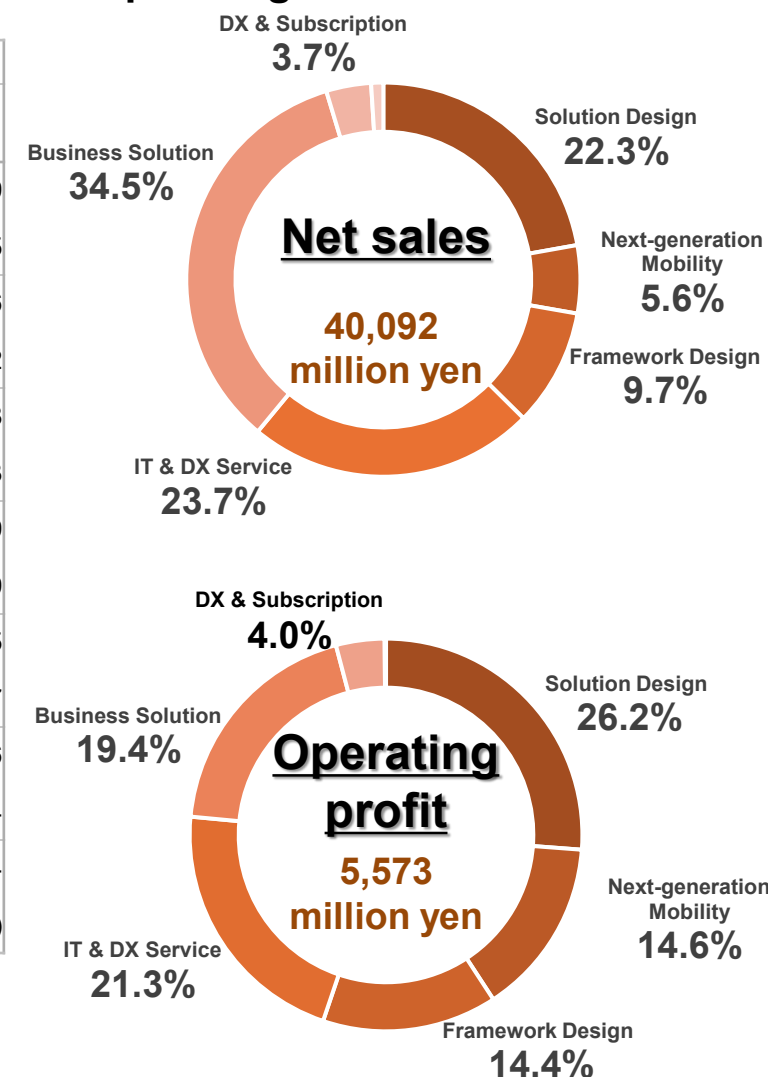
Business Segment	(in millions of yen)			
	2024/3	2025/3	2Q	2Q
	H1 Results	H1 Results	Comparison %	Profit Ratio
Solution Design Business	9,341	8,957	(4.1)	16.3%
	803	1,457	81.2	
Next-generation Mobility Business	1,064	2,229	109.3	36.5%
	202	812	300.9	
Framework Design Business	3,314	3,869	16.7	20.8%
	806	804	(2.0)	
IT & DX Service Business	8,949	9,489	6.0	12.5%
	1,367	1,187	(13.1)	
Business Solutions Business	13,302	13,812	3.8	7.8%
	967	1,081	11.7	
DX & Subscription Business	1,239	1,494	20.5	15.0%
	159	224	40.5	
Other Business	514	428	(16.7)	1.6%
	60	6	(88.8)	

* Top row: net sales, bottom row: operating profit

(in millions of yen)			
Reference: 2024/3 Results *external sales only			
1Q	2Q	3Q	4Q
4,688	4,641	4,612	4,679
315	488	575	835
504	560	650	796
79	123	187	252
1,619	1,695	1,758	1,828
351	454	452	383
4,371	4,467	4,611	4,629
612	755	805	749
6,924	6,366	7,244	6,915
512	455	532	417
442	790	281	676
27	131	(2)	74
183	266	458	274
10	50	107	(26)

* Top row: net sales, bottom row: operating profit

Composition of Net Sales and Operating Profit





2. Consolidated Earnings Forecast for 2025/3 and Our Initiatives

2025/3 Full-year Forecasts

2025/3 Full-year Forecasts

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	(in millions of yen)	(in millions of yen)	(in millions of yen)	(in millions of yen)	(Yen)
Previous forecast (A)	85,000 ~100,000	10,000 ~12,000	10,000 ~12,000	7,000 ~8,400	18.98 ~22.78
Revised forecast (B)	85,000 ~90,000	11,000 ~12,000	11,000 ~12,000	7,700 ~8,400	* 21.04 ~22.95
Difference (B - A)	0 ~△10,000	1,000 ~0	1,000 ~0	700 ~0	
Change (%)	0.0 ~△10.0	10.0 ~0.0	10.0 ~0.0	10.0 ~0.0	
[Reference] Results for previous fiscal year (2024/3)	76,940	9,713	9,942	7,232	18.67

* Earnings per share increased following the retirement of 25 million treasury shares on September 20, 2024.

Full-Year Earnings - Key Points of Change

- In terms of profit, contractual unit prices have increased due to a shift of management resources to growth businesses
- A hike in orders for high value-added projects led to higher profit margins mainly in the Solution Design Business and in the Next-generation Mobility Business.

Initiatives by Segment (Outlook)

■ Solution Design Business

Aiming to create high added-value business fields

1. Aggressive expansion into growth areas
2. Strengthening of organizational capabilities
3. More active investment with a view to digital consulting

- We will actively expand business operations by building up our proposal capabilities through the structural change for moving into high value-added areas of the social infrastructure, net business and product sectors.
- We will organize the characteristics of industries and customers we have cultivated and transfer them to other groups in order to create additional value for the overall Systema Group.
- We will offer digital consulting to help customers with DX and with productivity enhancement.
- To expand into digital consulting, we will actively hire personnel and invest in platforms that offer services with great cost effectiveness.

■ Next-generation Mobility Business

Fulfilling our mission as a Tier 1 software provider due to the development of software defined vehicles (SDV) in the automotive sector

1. Active expansion into the field of SDV
2. Investment in in-house services that support SDV
3. Expansion into peripheral services such as sharing

- Leveraging our experience cultivated in mobile development, we will focus on automotive cockpit systems such as IVI and CDC as well as automotive information systems
- Making proactive investments in in-house services that support SDV based on our track record with mobile and mobility
- In addition to supporting the conversion of completed vehicles to SDVs, active expansion into peripheral services through sharing and mobility

Initiatives by Segment

■ Framework Design Business

We will continue to aggressively expand into respective growth areas in the finance, public and corporate sectors, utilizing our development expertise and cutting-edge technologies with the aim of maximizing orders

- | | |
|---|--|
| 1. Maximizing existing businesses and expanding into growth areas | • Continue with projects that revolve around insurance/finance system development and infrastructure development, while actively pursuing an expansion into the public and corporate sectors to build a robust sales base. |
| 2. Actively accepting orders for DX Projects! | • Enhance both sales and technological systems for receiving orders for DX projects, such as the renewal of core systems (migration) and the use of cloud services. |
| 3. Further expanding high value-added projects | • Enhance the DX labs and expand the services that address low-code development and DX solutions.

• Enhance competitive power along with the improvement of added value with the goal of continuing to improve profitability. |

■ IT & DX Service Business

Aim to expand the fields covering by each service while strengthening services that support the development of customer businesses

- | | |
|--|---|
| 1. Focusing on the provision of services for customers' digital businesses | • Further expand from conventional IT support to PMO services including the migration and introduction of various systems, and the improvement and rebuilding of business processes |
| 2. Supporting the introduction of tools for standardization and automation | • Promote support for the introduction of SaaS tools that address the standardization and automation needs of back office departments |
| 3. Expanding DX verification services in agile development | • Leverage knowledge of agile testing services in the net business and gaming areas to gain in-depth insight into customers in the enterprise field and strengthen new customer development |

Initiatives by Segment

Business Solutions Business

Shifting our focus from physical business to service business

- | | |
|---|---|
| 1. Investments in expanding the domains covered by our solutions | • Enhance the portfolio of services and expand sales into the profit division |
| 2. Enhancement of hybrid environment initiatives | • Enhance capabilities for dealing with hybrid environments and strengthen alliances with cloud developers
• Enhance the portfolio of services aimed at Windows 10 End of Life (EOL) |
| 3. Expansion of DX-related services | • Enhance system development and the application reconfiguration business in a multi-cloud environment |
| 4. Strengthening earnings capacity by expanding sales of services | • Provide all services through ALL Systema solutions on a one-stop basis |

DX & Subscription Business

We are making proactive up-front investments in our own services, primarily Canbus., with the aim of deploying these services in the field of digital transformation (DX).

- | | |
|---|---|
| 1. Strengthening sales promotion of Canbus. | • Strengthen services that integrate generative AI and direct the promotion of DX, aiming to capture customer demand and develop new customers |
| 2. Increasing the brand recognition of Canbus. | • Conduct a range of advertising activities such as exhibiting at events, taking part in joint events with partners, and engaging in social media-based marketing |
| 3. Up-front investment associated with service improvements | • Plan services for specific industries or for specific applications in the Canbus. series and carry out sales promotion activities |



Basic Management Policy and Target Management Indicators

■ Basic Management Policy

To become one of Japan's leading IT companies and support the Japanese economy from the ground up!

To achieve this, we embrace the basic policy of balanced management, controlling the conflicting qualities of “destruction and creation,” “stability and growth” and “maintenance and innovation” in the right balance while continually placing the axis of management at the central point of the pendulum.

■ Target Management Performance Indicators

1. Stable and high dividends
2. High return on equity
3. High ratio of operating profit to sales

To achieve these indicators, we will aim to achieve a high revenue structure consistent with a basic management policy that emphasizes a balance between stability and growth.



ALL Systema

[Precautions regarding outlook]

This document contains forward-looking statements and predictions that represent projections determined based on the information currently available to the Company and involve considerable uncertainty.

Please note that actual business performance and other results can fluctuate due to various factors including changes in the economic or business environment.

