Financial Results Presentation

for the Third Quarter of the Fiscal Year Ending March 31, 2025

systena

Systena Corporation

February 6, 2025

Contents

1. Financial Results for Third Quarter of 2025/3 (Consolidated)

3Q 2025/3 Results

Financial Results for Third Quarter of 2025/3 (Consolidated)

(in millions of yen)

Net Sales and Profit at Each Stage	2025/3		YoY Change			
	3Q Results	Profit Ratio	3Q 2024/3 Results	Profit Ratio	Amount	%
Net sales	60,564	-	57,140	-	3,424	6.0%
Operating profit	8,714	14.4%	7,025	12.3%	1,688	24.0%
Ordinary profit	8,600	14.2%	7,095	12.4%	1,504	21.2%
Profit attributable to owners of parent	5,917	9.8%	4,844	8.5%	1,072	22.1%

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 December 31, 2024	As of March 31, 2024	Change
Equity capital	30,062	30,237	(175)
Interest-bearing debt	1,550	1,550	0
Debt-to-equity ratio	5.16%	5.13%	0.03%pt
Equity ratio	66.6%	66.7%	(0.1) %pt

By Segment (Net Sales / Operating Profit, YoY)

Solution Design Business: 13,214 million yen (-5.3%) / 2,202 million yen (+59.7%)

- Profitability of mainstay project management projects and system development improved.
- The profitability improvement was attained by reassigning and effectively deploying personnel to enhance proposals of solutions to customers' problems

Next-generation Mobility Business: 3,598 million yen (+109.7%) / 1,283 million yen (+229.3%)

- 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).
- A joint project with Systena America Inc. was started.

Framework Design Business: 6,136 million yen (+21.0%) / 1,361 million yen (+8.2%)

- In the financial sector, performance was healthy with an increase in the number of inquiries concerning DX-related projects such as cloud utilization and new service development aimed at improving the customer experience (CX), in addition to services for the development of mission-critical systems.
- In the public sector, development projects stemming from the "My Number" individual number system continued to expand, as did orders received. DX projects for local governments increased and developed into a mainstay area of this business.
- Sales expanded by receiving orders for contracted development projects for large enterprises. 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: 14,501 million yen (+6.5%) / 1,877 million yen (-13.6%)

- We received numerous inquiries about business standardization and automation from companies creating new business models.
- We focused on collaborative PMO services for encouraging the operation of different tools after their introduction and for reconstructing business processes on the basis of the visualization and assessment of customers' latent issues.
- 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: 20,916 million yen (+1.7%) / 1,679 million yen (+12.0%)

- 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.
- We continued to step up proposal activities in response to an increase in replacement projects attributable to the termination of support for Windows 10 in October 2025 and an expansion of plans for the fourth quarter and the next fiscal year.
- 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: 1,913 million yen (+25.6%) / 325 million yen (+106.3%)

- 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.
- We announced a new service lineup centering on Canbus., including Canbus. with generative AI and Canbus. with partners' products, to accelerate the cultivation of new customers.

(in millions of yen)

Net Sales and Profit at Each Stage	2024/3 Results							2025/3 3Q Results	3Q Comparison Change
	1Q	2Q	H1	1Q-3Q	4Q	H2	Full year		
Net sales	18,734	18,787	37,521	57,140	19,800	39,419	76,940	60,564	3,424
Operating profit	1,909	2,458	4,368	7,025	2,688	5,345	9,713	8,714	1,688
Ordinary profit	1,781	2,553	4,334	7,095	2,846	5,607	9,942	8,600	1,504
Profit attributable to owners of parent	1,220	1,756	2,976	4,844	2,388	4,256	7,232	5,917	1,072

■ YoY Comparison (by Segment)

(in millions of yen)

Business Segment	2024/3 3Q Results	2025/3 3Q Results	3Q Comparison %	3Q Profit Ratio
Solution Design Business	13,958	13,214	(5.3)	16.7%
	1,379	2,202	59.7	
Next-generation Mobility Business	1,715	3,598	109.7	35.7%
	389	1,283	229.3	
Framework Design Business	5,073	6,136	21.0	22.2%
	1,258	1,361	8.2	
IT & DX Service Business	13,614	14,501	6.5	12.9%
	2,172	1,877	(13.6)	
Business Solutions Business	20,562	20,916	1.7	8.0%
	1,499	1,679	12.0	
DX & Subscription Business	1,523	1,913	25.6	17.0%
	157	325	106.3	
Other Business	996	573	(42.4)	(2.6) %
	168	△15	(109.0)	

* 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

Net sales
60,564 million yen

DX & Subscription 3.2%
Solution Design 21.8%
Business Solution 34.5%
Next-generation Mobility•••
Framework Design 10.1%
IT & DX Service 24.0%

Operating profit
8,714 million yen

DX & Subscription 3.7%
Solution Design 25.3%
Business Solution 19.3%
Next-generation Mobility 14.7%
IT & DX Service 21.6%
Framework Design •••

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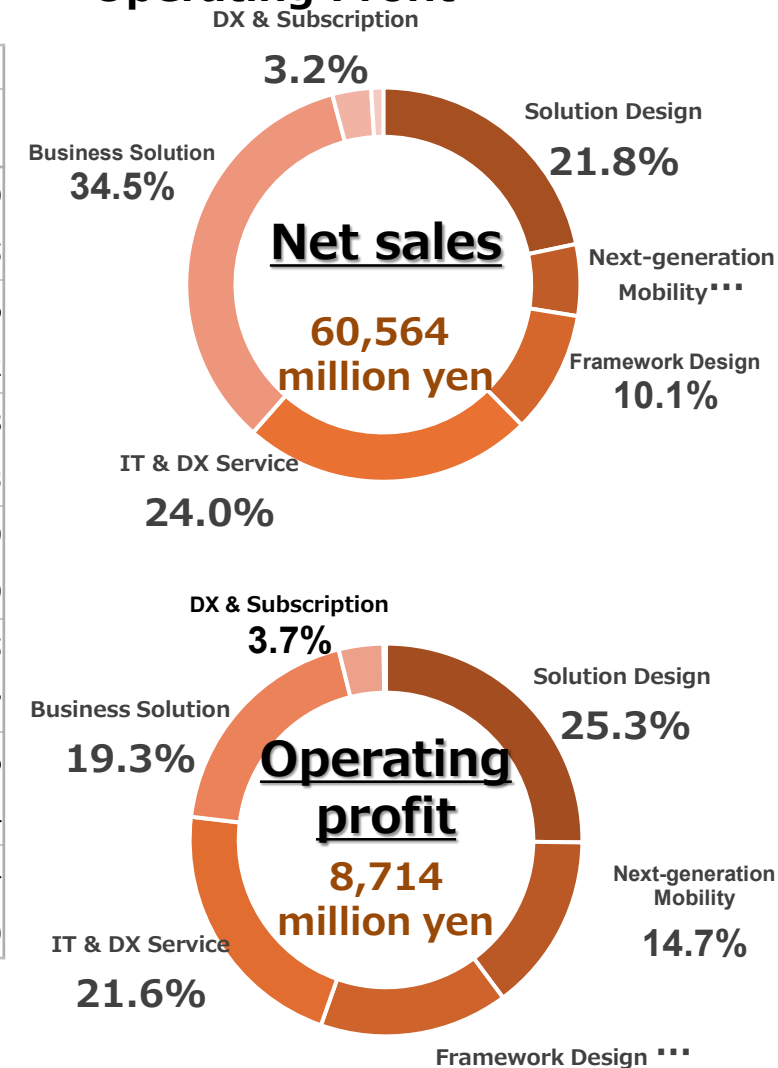
2. Consolidated Earnings Forecast for 2025/3 and Our Initiatives

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 ~90,000	11,000 ~12,000	11,000 ~12,000	7,700 ~8,400	21.04 ~22.95
Revised forecast (B)	81,500	11,500	11,425	8,000	21.85
Difference (B - A)	△3,500 ~△8,500	500 ~△500	425 ~△575	300 ~△400	
Change (%)	4.1 ~△9.4	4.5 ~△4.2	3.9 ~△4.8	3.9 ~△4.8	
[Reference] Results for previous fiscal year (2024/3)	76,940	9,713	9,942	7,232	18.67

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

<u>Aiming to create high added-value business fields</u>

1. Aggressive expansion into growth areas

2. Strengthening of organizational capabilities

3. More active investment with a view to digital consulting

- Capitalize on the strength in our mainstay project management projects and system development to proactively expand into different areas

- Invest in securing and developing personnel competent in digital consulting for helping customers with DX and productivity improvement

- Provide highly cost-effective services to positively gain new customers

Next-generation Mobility Business

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

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 (Outlook)

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 (Outlook)

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 Systena 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

Company Outline

Company Outline

- Company name: Systena 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
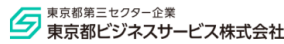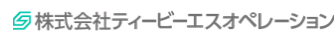 - Outside Director: Keirou Hemmi
  - Outside Director: Rikizou Kurosaki

- 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: 4,123 / Consolidated: 5,632
  (as of January 1, 2025)

Business	Descriptions
Solution Design Business	▶ 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	▶ Provision of in-house services including engineering and MaaS to the automotive industry, with a focus on automotive OEMs and suppliers
Framework Design Business	▶ 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	▶ Provision of IT outsourcing services including PMO, service desks and user support, infrastructure support, systems operation and maintenance, data entries, mass output, software testing and quality assurance, and DX support
Business Solutions Business	▶ 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	▶ 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	▶ 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

Comprehensive Solution Services from the Entire Systena Group

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Link People for Happiness

Solution Design Business
- Development of social infrastructure systems
- Development of smartphone apps and Web apps
- Embedded development using robots, artificial intelligence and IoT
- One-stop support covering planning, design, development, verification and operation of different kinds of systems and services

Next-generation Mobility Business
- Development of autonomous driving and in-vehicle systems

Framework Design Business
- Development of financial systems (for life and non-life insurance companies and banks) and mission-critical systems for the public and corporate sectors
- Introduction of DX solutions, infrastructure construction and system operation
- Infrastructure consulting services

IT&DX Service Business
- PMO services
- Service desk
- LCM services
- Support for the introduction of tools
- IT infrastructure support
- Support for digital human resources development trainingSupport for security measures
- Support for the automation and improvement of the efficiency of business practices
- Global support
- DX verification services

Business Solutions Business
- Sale of IT-related products and services including servers, PCs, peripheral equipment and software to corporations
- Planning, development and provision of services for product introduction (robotic process automation (RPA), business intelligence (BI) tools and others)

Mobile solutions
Embedded software
Business systems
User support
Portal systems
Apps for smartphones
Construction of server integration platforms
Cloud computing
Hardware and software sales

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Comprehensive Solution Services from the Entire Systena Group

Other Business
- Provision of technical support, development, verification support and different solutions related to mobile communications in the overseas domain, and surveys on and the commercialization of the latest technologies and services
- Investment and development

CLOUD

DX & Subscription Business
- Provision of proprietary services, e.g. Canbus., Canbus.IoT, Cloudstep and Web Shelter
- Provision of and installation support for cloud services including Google Workspace and Microsoft 365

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Company Outline

Group companies

	Group companies	Capital / Investment Ratio	Business Descriptions
Domestic consolidated subsidiaries ▶	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
	Tokyoto Business Service Co., Ltd.	100 million yen Systena 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)
	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 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 Co., Ltd.	75 million yen 100%	- Planning, development and provision of social games for smartphones - Contracted development and development support
	MINGAL, Inc.	100 million yen 60.0%	- Development, distribution, maintenance and operation of cloud services relating to professional practice
Domestic equity-method affiliates ▶	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
Overseas consolidated subsidiaries ▶	Systena 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
	Systena Vietnam Co., Ltd.	200,000 US dollars 100%	- Software development and quality evaluation - Operation and maintenance - General IT services
Overseas equity-method affiliates ▶	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 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

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.