

Fiscal Year Ended March 2025 (FY3/25)

# Results Briefing

**SYSTEM RESEARCH CO., LTD.**

(TSE Prime/NSE Premier: 3771 )



## **Vision** Statement

Corporate Vision ———

### **An IT Partner that is Close to Your Business**

- Become professionals who customers can rely on
- Refine our area of expertise and create new value, with technologies we can be proud of
- Grow through work and feel that we are contributing to society and playing an active role

Our mission is to contribute to our customers' business through solutions.  
We aim to be close to our customers' business.  
To do that, the most important thing is to have a good understanding of our customers.  
Going forward, we will continue to work together as an IT partner that our customers trust and choose, and work to live up to that trust.

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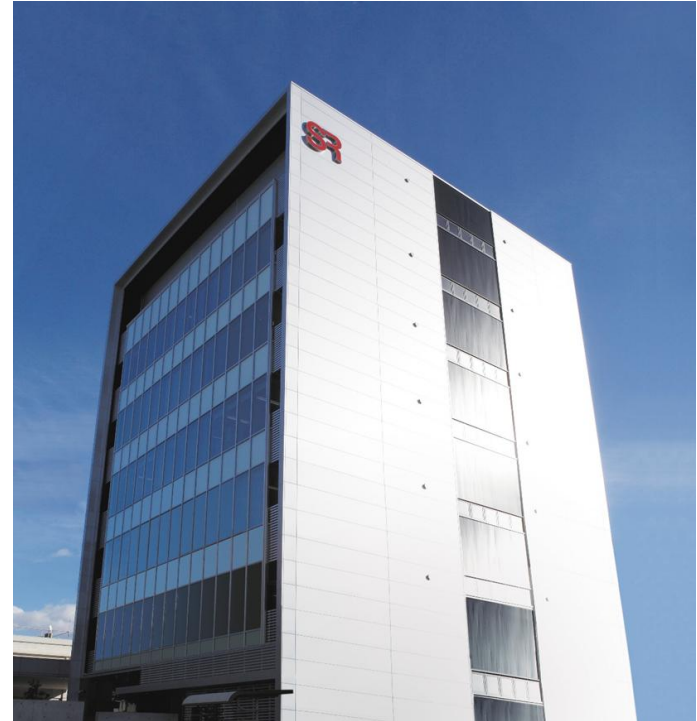


Head office building, front entrance (Iwatsukahontori, Nakamura-ku, Nagoya)

# Contents

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## 1. Company Profile



Head office building (Iwatsukahontori, Nakamura-ku, Nagoya)

# Company Profile

<b>Established</b>	<b>March 1981</b>
<b>Listed stock exchange</b>	<b>TSE Prime / NSE Premier</b> <small>Listed on the First Section of the Tokyo Stock Exchange in December 2016 Duplicate listing of the Nagoya Stock Exchange in March 2025</small>
<b>Representative</b>	<b>Toshiyuki Yamada, Representative Director and Chairman Hiroshi Hirayama, Representative Director and President</b>
<b>Capital</b>	<b>550.15 million yen</b>
<b>Number of employees (Consolidated)</b>	<b>1,656    Average age: 34.0</b> <small>(As of April 1, 2025)</small>
<b>Consolidated subsidiaries</b>	<b>Sowel Co., Ltd.</b>
<b>Major shareholders</b>	<b>Toshiyuki Yamada (14.26%)    The Master Trust Bank of Japan, Ltd. (9.62%)</b> <small>(As of March 31, 2025)</small>

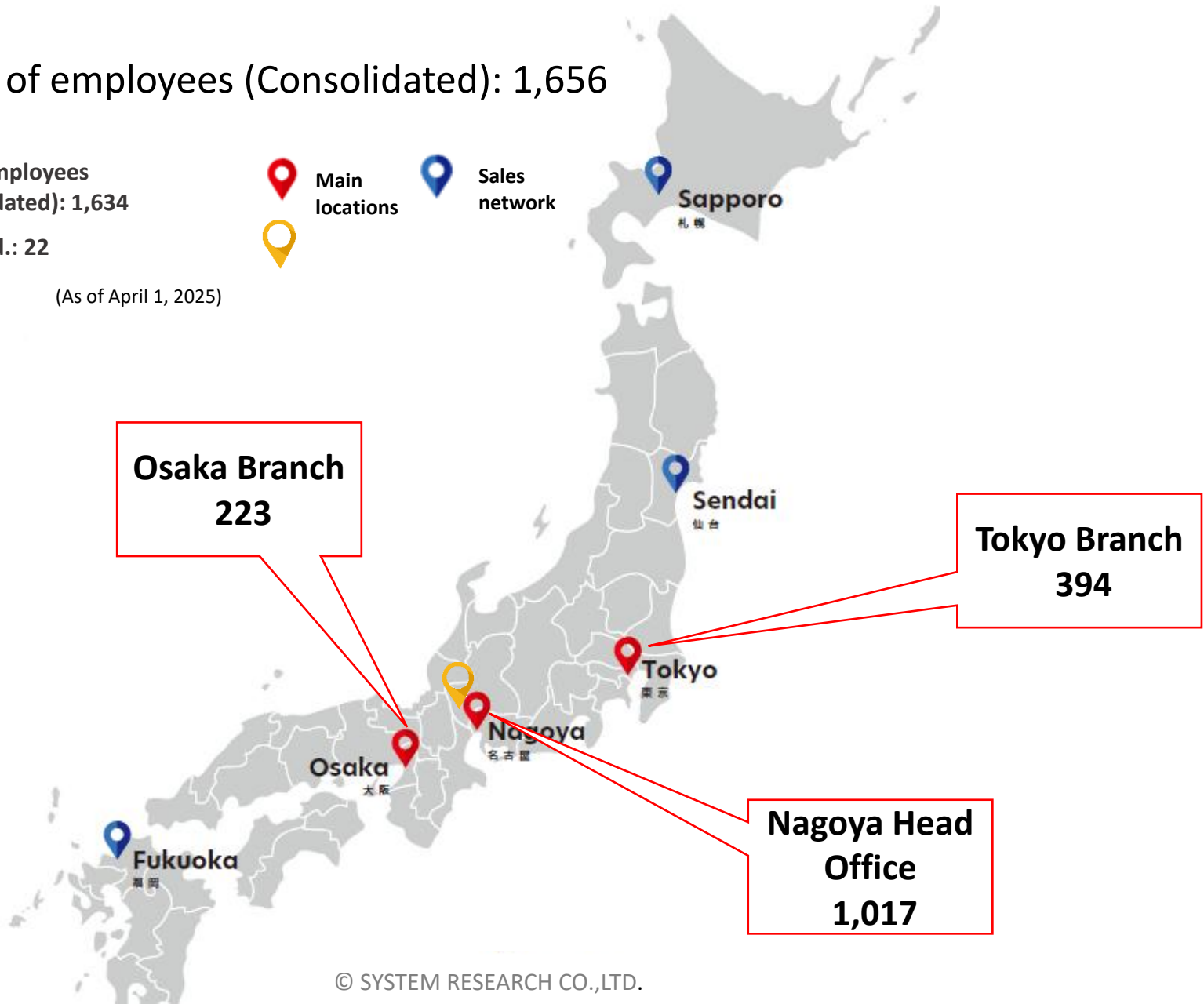
# Branches and Sales Locations

Number of employees (Consolidated): 1,656

Number of employees  
(Non-consolidated): 1,634

Sowel Co., Ltd.: 22

(As of April 1, 2025)



# Business Activities of Subsidiaries

## Business of Special Subsidiary Sowel Co., Ltd.

Address: 6-52-18 Imajuku, Ogaki-shi, Gifu

Investment ratio: SYSTEM RESEARCH CO., LTD. 75%,  
Weltechnos Co., Ltd. 25%

### Purpose

- Providing opportunities for people with disabilities, to support their independence and enjoy life
- One aspect of the Group's corporate social contributions
- Fulfilling our obligation to employ persons with disabilities



Sowel website  
QR code



### Sowel's main development achievements

#### System development

- Development and maintenance of corporate in-house operational management systems
- IoT system development
- Social infrastructure and control systems

#### App development

- Groupware apps
- Business card management apps
- E-commerce site and cart apps

#### Web solutions

- Site management and server maintenance
- Security log checks
- Software testing support
- Web conferencing introductory support
- Document PDF conversion

# Corporate Vision

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## **An IT Partner that is Close to Your Business**

### Corporate Vision

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- **Become professionals who customers can rely on**
- **Refine our area of expertise and create new value, with technologies we can be proud of**
- **Grow through work and feel that we are contributing to society and playing an active role**

# Major Customers

## ● Computer Manufacturers

Fujitsu Limited  
Hitachi, Ltd.  
IBM Japan, Ltd.  
Toshiba Digital Solutions Corporation, etc.

## ● Major Slers

SCSK Corporation  
KOBELCO SYSTEMS CORPORATION  
ITOCHU Techno-Solutions Corporation  
TIS Inc.  
NS Solutions Corporation  
NTT DATA TOKAI Corporation

## ● Consulting

Nomura Research Institute, Ltd.  
BUSINESS BRAIN SHOWA-OTA INC., etc.

## ● TOYOTA Group (Approx. 30% of total sales)

Toyota Motor Corporation  
Toyota Systems Corporation  
Toyota Industries Group  
Toyota Tsusho Group  
Denso Corp.

## ● Other End-users

Yamato Transport Group  
NIPPON EXPRESS CO., LTD.  
Meiko Trans Co., Ltd.  
Daido IT Solutions Co.,Ltd.  
NGK INSULATORS, LTD.  
Daifuku Co., Ltd.  
OKUMA Corporation  
ASAHI INTECC CO., LTD  
Mitsubishi Electric Information Network Corporation  
Panasonic Information Systems Co., Ltd  
KAGOME CO.,LTD.  
TOPPAN Inc.  
SoftBank Corp.  
Pan Pacific International Holdings Corporation

## 2. FY3/25 Results

### An IT Partner that is Close to Your Business

Our mission is to contribute to our customers' business through solutions.

We aim to be close to our customers' business.

To do that, the most important thing is to have a good understanding of our customers.

Going forward, we will continue to work together as an IT partner that our customers trust and choose, and work to live up to that trust.



# Summary of FY3/25 Results (Consolidated)

(Million yen)

Net sales **increased by 11.1%** year on year, setting a new record.  
We also achieved record operating profit and ordinary profit.

	<i>Percentage of net sales (%)</i> <b>FY3/24</b> Full year (April 2023 – March 2024)	<i>Percentage of net sales (%)</i> <b>FY3/25</b> Full year (April 2024 – March 2025)	<b>YoY changes</b>
Net sales	23,320	<b>25,931</b>	+11.1%
Gross profit	22.9% 5,357	23.2% <b>6,028</b>	+12.5%
Operating profit	11.5% 2,703	11.5% <b>2,997</b>	+10.8%
Ordinary profit	11.8% 2,768	11.8% <b>3,066</b>	+10.7%
Profit attributable to owners of parent	8.4% 1,969	8.4% <b>2,194</b>	+11.4%

# FY3/25 Sales by Category

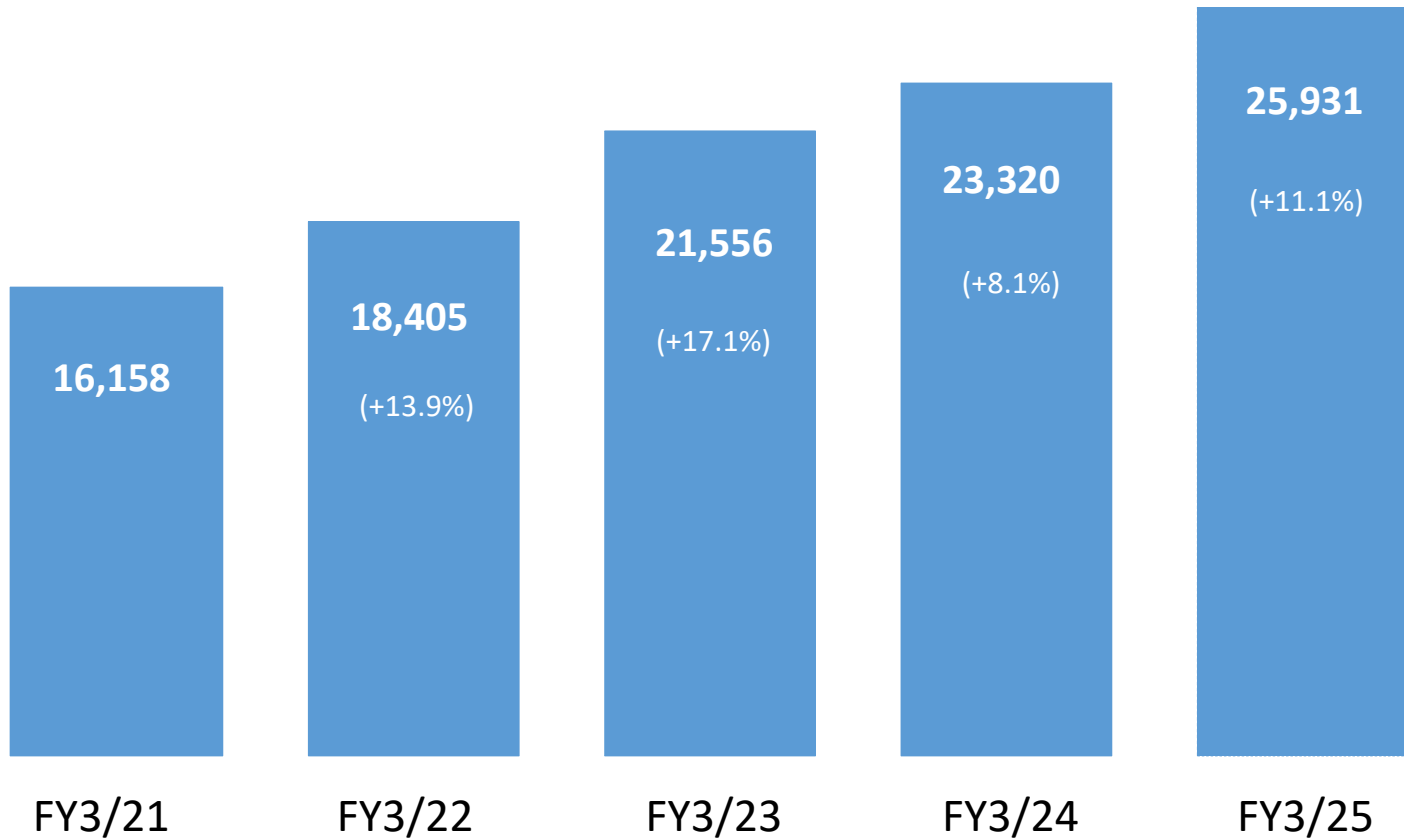
(Million yen)

Business description	Sales fields	FY3/24 Full year	FY3/25 Full year	Changes	
		Net sales	Net sales		
SI service	SI services	9,179	<b>10,480</b>	+14.1%	Increased orders for contract-based projects
SI service	Software development	13,133	<b>14,248</b>	+8.4%	Securing repeat orders
Software products	Software products	355	<b>421</b>	+18.6%	Increased sales of packaged software
Software products	Merchandise sales	380	<b>410</b>	+7.8%	
Software products	Web services, etc.	272	<b>371</b>	+36.3%	New store openings and increased amount of distribution
	Total	23,320	<b>25,931</b>	+11.1%	

# Net Sales (Consolidated)

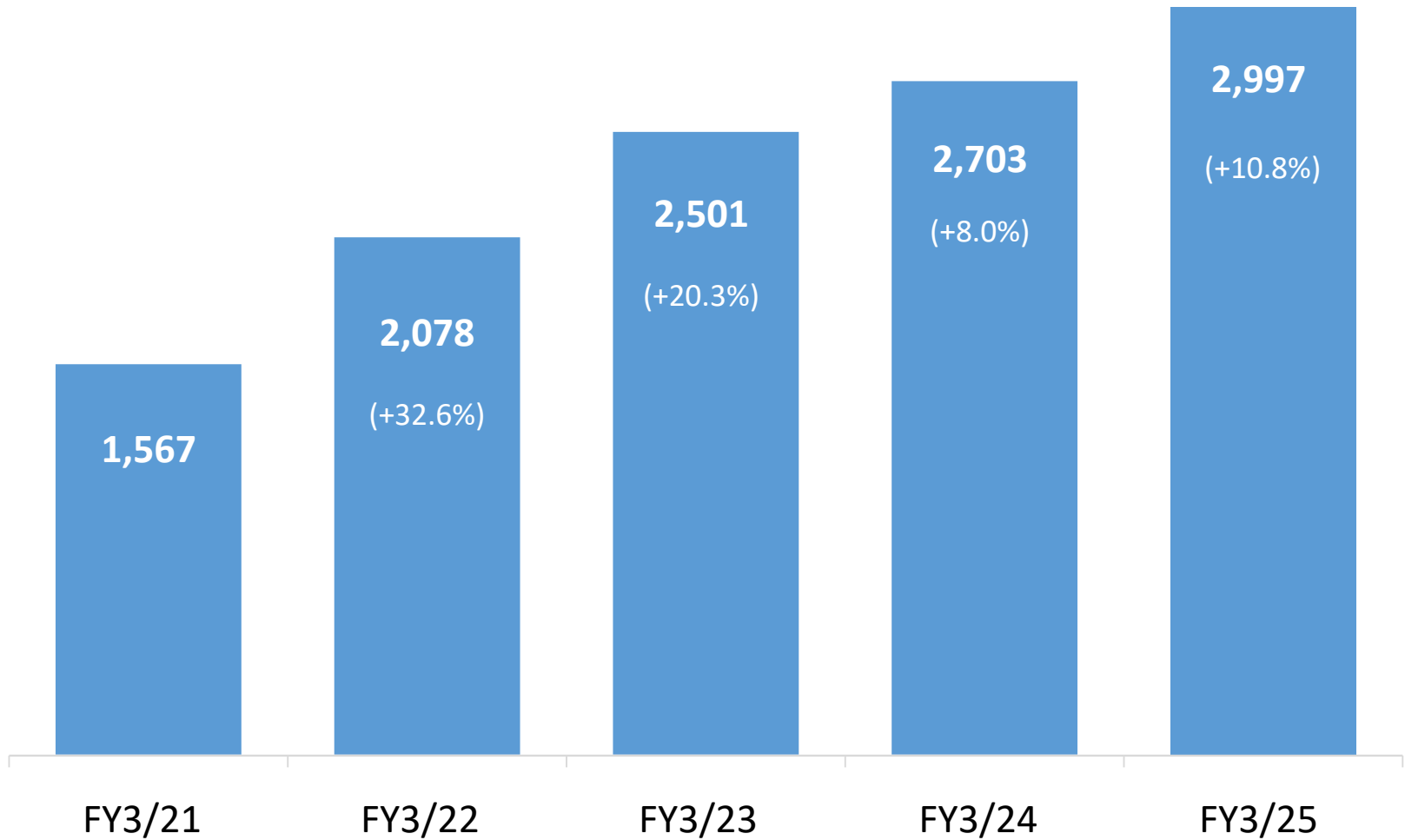
(Million yen)

Record-high sales for the fourth consecutive year



# Operating Profit (Consolidated)

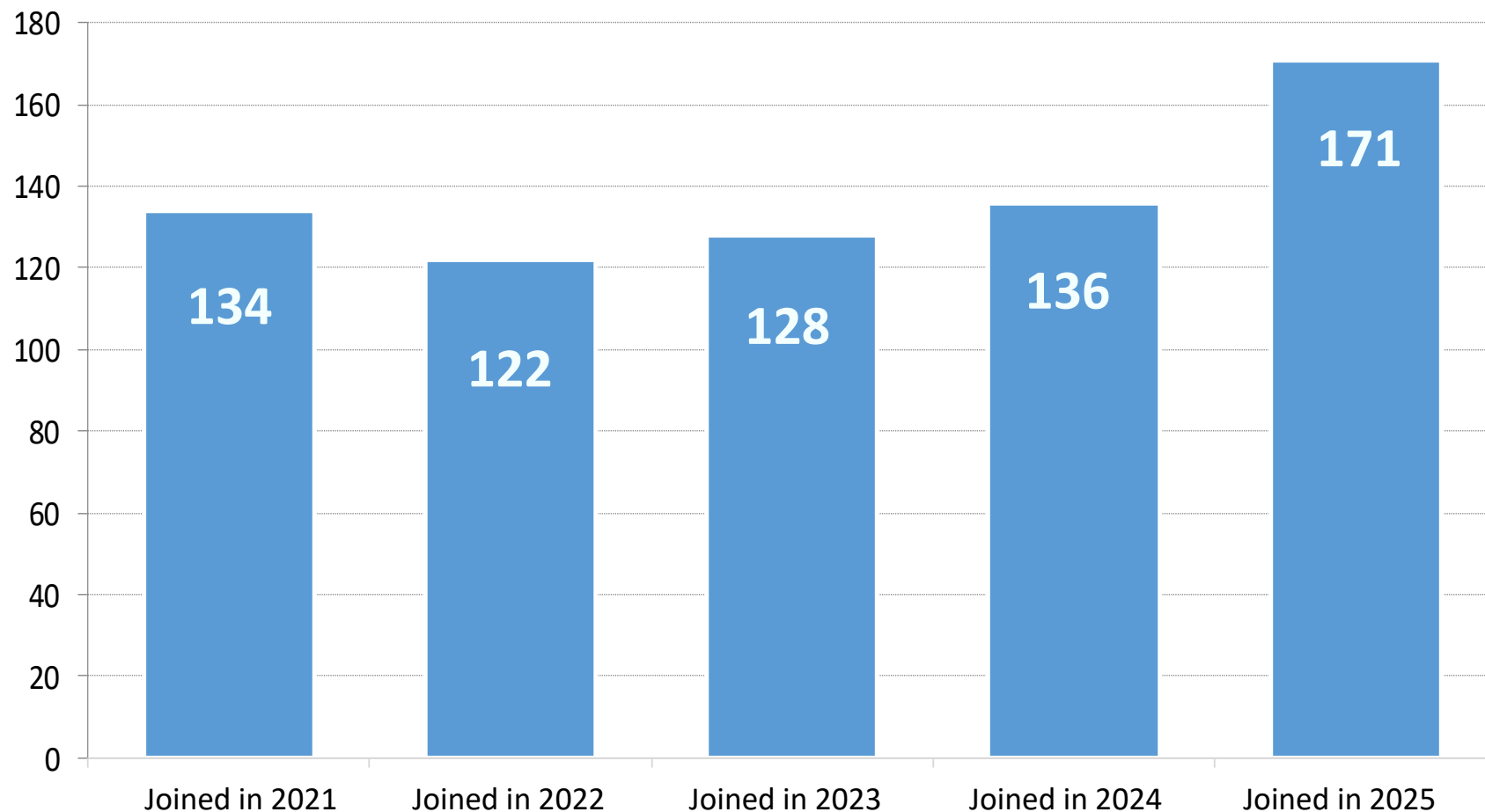
(Million yen)



# Recruitment (Non-consolidated)

## New graduate recruitment for the past five years

(Persons)



# Contents

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## 3. FY3/26 Forecasts



# Outlook for the IT Industry

## Outlook for the Japanese economy

Although the economy is recovering moderately, there are uncertainties due to the U.S. trade policy, among other factors.

*Monthly Economic Report (April 2025), Cabinet Office*

## IT industry current conditions

The annual market size of the IT industry is 17,920.2 billion yen (2024).

*Ministry of Economy, Trade and Industry's Specific Service Industry Statistics*

The market size of the Japanese IT industry is expected to grow 8.2% in 2025 and the average growth rate will be 6.3% per year for the period from 2023 to 2028.

*Domestic IT Market Forecast, IDC Japan*

- Continuation of DX-related investments
- Expansion of the generative AI market
- Renewal of legacy systems at large companies

## Industry concerns

Users may reduce investments in IT due the effects of US trade policy, etc.

Shortage of engineers is becoming more serious (2025 digital cliff problem)

**Think & Try!!**

**Raise our position in the industry!**

Performance Target 15×15 2000×2000

# FY3/26 Results Forecast (Consolidated)

(Million yen)

[Full year]	FY3/25 Results	FY3/26 Forecast	YoY changes	
Net sales	25,931	29,314	3,383	+13.0%
Operating profit	2,997	3,445	448	+14.9%
Ordinary profit	3,066	3,504	438	+14.3%
Profit attributable to owners of parent	2,194	2,535	341	+15.5%

# Shareholder Return

In terms of dividend payouts to shareholders, in order to ensure that our shares are held in a long-term and stable manner, we intend to maintain stable dividends. To increase distributions to shareholders, we are targeting a dividend payout ratio of 40%.

	FY3/23	FY3/24	FY3/25	FY3/26 Forecast
<b>EPS</b> (Earnings per share)	95.80 yen	117.81 yen	132.29 yen	<b>153.07 yen</b>
<b>ROE</b> (Return on equity)	18.57%	20.06%	19.62%	<b>19.90%</b>
<b>Dividend per share</b>	35.0 yen	40.0 yen	60.0 yen	<b>60.0 yen</b>

\* The Company implemented a 2-for-1 split of its common stock on April 1, 2024. EPS and dividend per share were calculated on the assumption that a share split occurred at the beginning of FY3/23.

# 2024 Minkabu Award Won

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One of 40 companies selected from the 1,641 companies (as of the end of November 2024) listed on the Prime Market of the Tokyo Stock Exchange.

We will continue to enhance shareholder returns to meet the expectations of our shareholders and investors.



- What is the Minkabu Award?

The Minkabu Award is an award system operated by MINKABU, the largest financial and asset formation information media platform in Japan. MINKABU annually commends selected very promising publicly traded companies in terms of their continued growth and asset efficiency from over 4,000 listed companies, regardless of the scale of the business or industry. <https://minkabu.jp/awards/2024>

## 4. Medium-Term Management Plan



# Medium- and Long-term Targets

*We'll go for the goal.*



# Next Vision 50th

With Next Vision 50th, we aim to secure continuous profits, enhance corporate value, and create employment opportunities, while taking into account changes in the external environment (economic conditions and technological innovations).

System Research

## Five Initiatives

### Deepen employee engagement

従業員エンゲージメント  
の深化

Share our management philosophy and vision, increase the sense of solidarity among employees, build a system for the company and employees to grow together, and drive forward together.

### Strengthen human capital and back-office operations

人的資本と  
バックオフィスの強化

Drive internal digital transformation (DX), enhance security, and improve governance.  
Back up the organization's expansion by enhancing our branding and recruitment.



### Expansion and increased sophistication of core businesses

コア事業の  
拡大と高度化

In addition to the Chubu region, we aim to acquire good customers in the Kanto and Kansai markets, and increase our business specialization and solutions in our area of expertise.

Next事業への  
挑戦

Take on the  
challenge of  
creating next-  
generation  
businesses

Utilize know-how and knowledge cultivated in our core businesses to take on the challenges of creating new businesses that can become core businesses for our next generation.

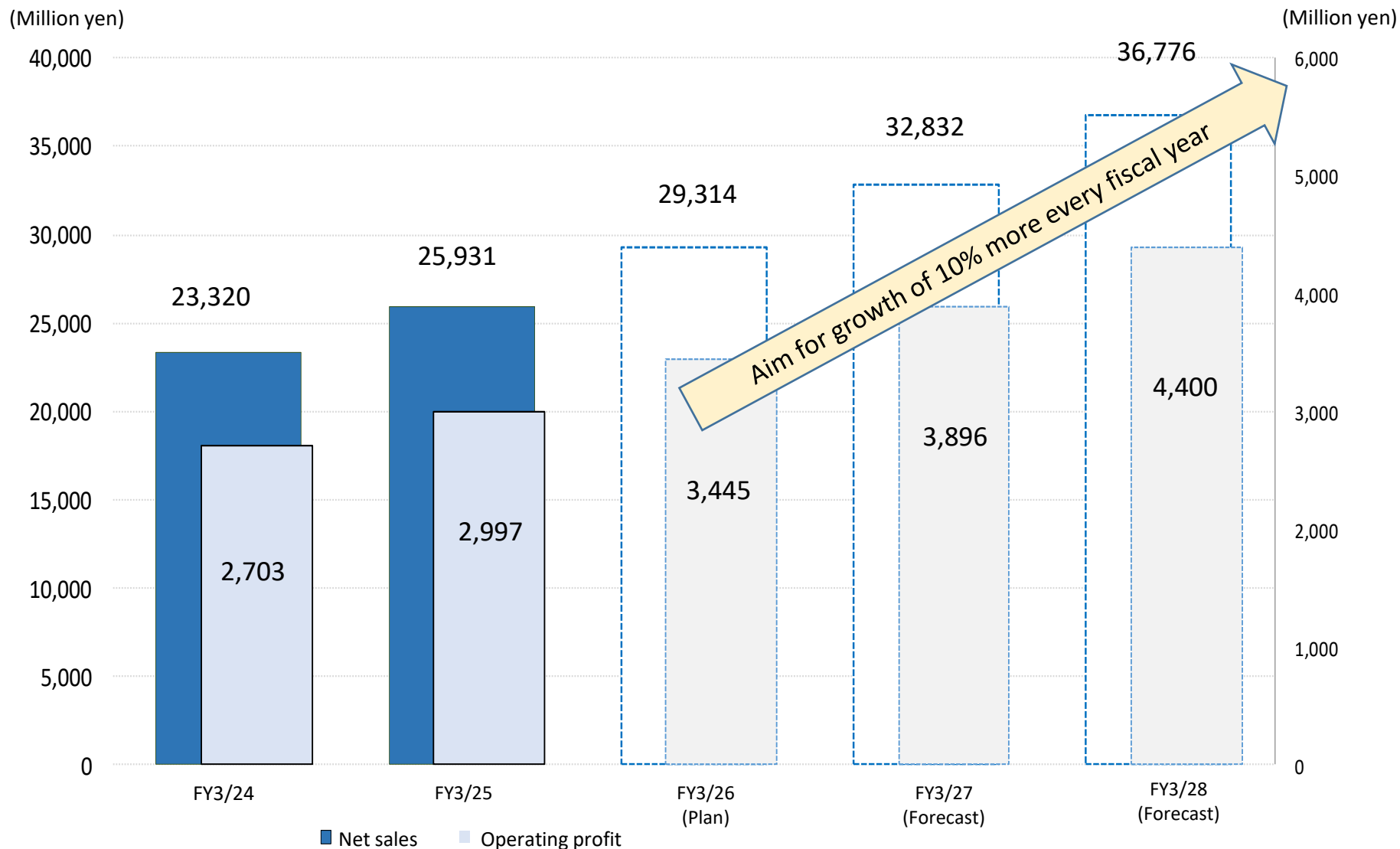
新たな価値を  
創出する技術力

Technological  
capabilities to  
create new  
value

Design engineering capabilities that utilize digital technologies to solve social and management issues.

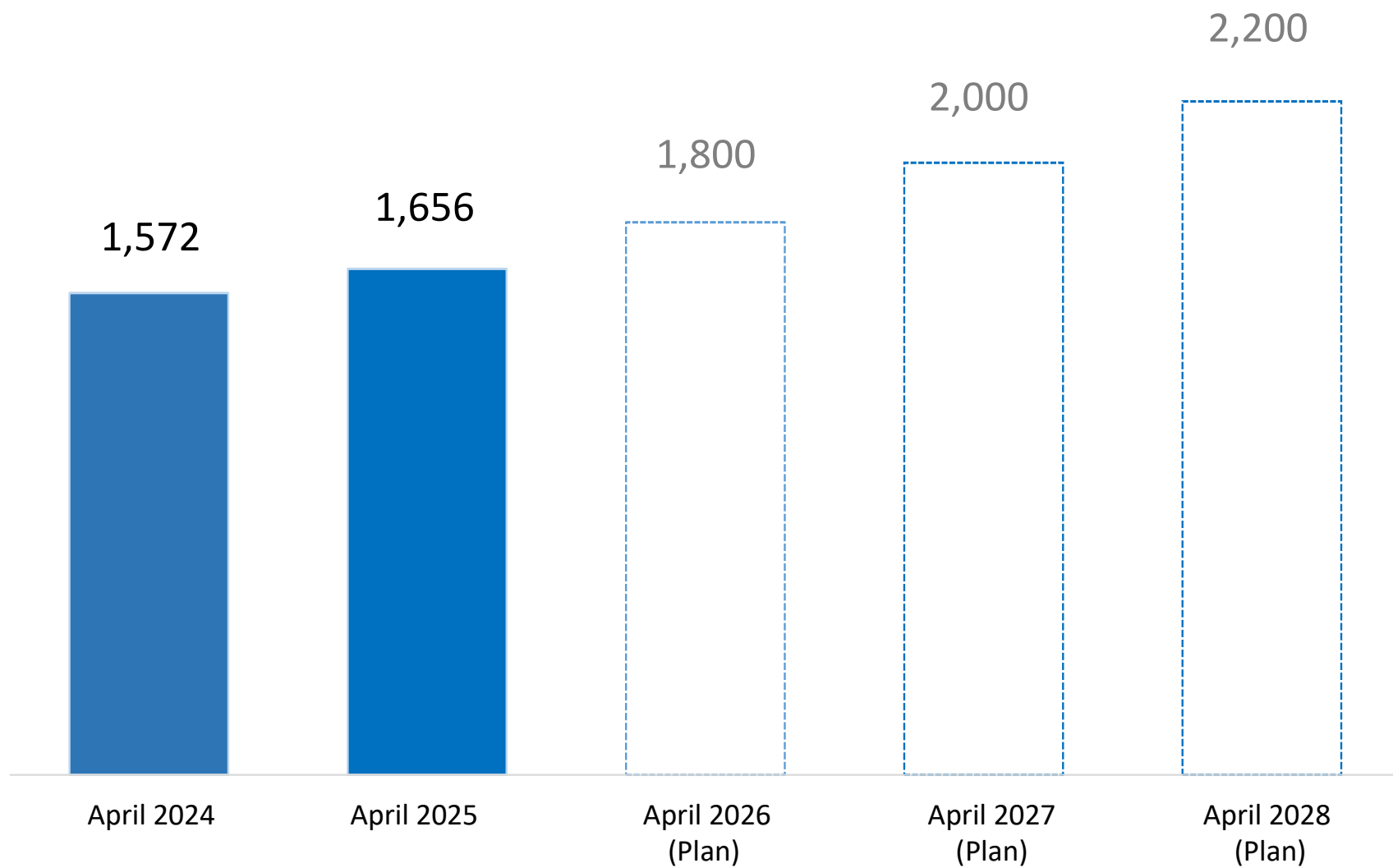
# Medium-Term (3-year) Management Plan

## (Consolidated Net Sales and Consolidated Operating Profit)



# Medium-Term (3-year) Management Plan (Consolidated Employees)

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## 5. Sustainability



## Sustainability Initiatives

### Encourage diversity equity and inclusion

Relationship with the SDGs (focus goals)



Main Initiatives

Promote active participation of diverse individuals (women, persons with disabilities, LGBT, seniors, etc.)  
Reform corporate culture and foster awareness to support long-term career development for employees  
Plan and implement career training

### Health and productivity management initiatives

Relationship with the SDGs (focus goals)



Main Initiatives

Promote diverse working styles and work-life balance  
Continue the Good Job Challenge (curbing long working hours and increasing the rate of paid leave taken)  
Mental health education

### Technology support in the DX era

Relationship with the SDGs (focus goals)



Main Initiatives

Take on the challenge of creating added value using DX technologies  
Develop DX engineers  
Promote PM development curriculum

### Initiatives for creating safe, secure, and enriched lifestyles

Relationship with the SDGs (focus goals)



Main Initiatives

Strengthen PRM (Project Risk Management) activities  
Information security, protection of personal protection, and legal compliance  
Reduce the environmental burdens (promotion of energy conservation)  
Ensure a comfortable working environment and respect human rights (signing the UN Global Compact)

# Results of Initiatives in Numbers (as of March 31, 2025)

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Percentage of female  
employees in management  
positions

**11.2%**

Target 7.0%

Percentage of female  
employees in continuous  
employment

**95.2%**

Target 80.0%

Percentage of employees  
taking childcare leave

**Female 100%**  
**Male 53%**

Percentage of male employees taking  
childcare leave (30.1%)

(Research by the Ministry of Health,  
Labour and Welfare in 2023)

Average monthly  
overtime

**14.2 hours**

Ratio of employees who  
took paid leave

**79.2%**

Turnover rate

**8.4%**

Industry average 12.4%

(Research by the Ministry of Health,  
Labour and Welfare in 2024)

# Recognition and Certification (External Evaluation)



Received DX  
Certified Business  
Operator  
certification



Received certification of  
Health & Productivity  
Management Outstanding  
Organizations 2024 by the  
Ministry of Economy, Trade  
and Industry, Nihon Kenko  
Kaigi



Received iCD Company  
Certification Gold★★  
certification



Received Kurumin  
certification by the  
Ministry of Health, Labour  
and Welfare



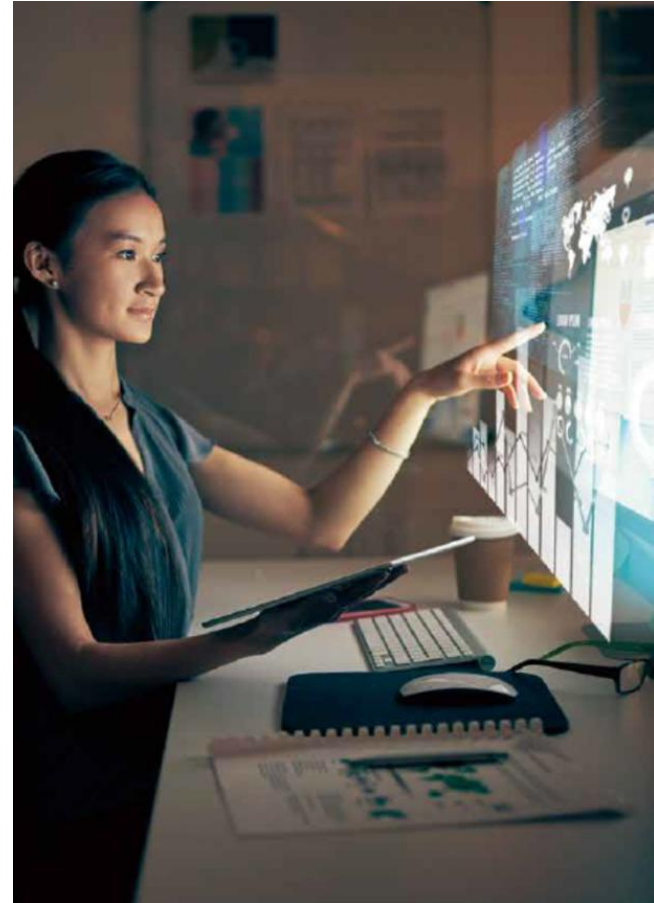
Obtained Information  
Security Management System

Scope of registration:  
Design, development, introduction, operation, monitoring,  
proposal, and maintenance services of contracted systems,  
management of stationed and dispatched personnel (SE service  
business), product development, maintenance service business,  
and web service business.



Acquired Privacy Mark

## 6. Solutions



# SI Service and Software Development

We face up to customer management issues and provide services that satisfy them, using the know-how and advanced technologies that we have cultivated.

Automotives



Logistics



Distribution



Telecommunications and control



Plant and production line control



ICT base



Consulting



ERP



Low-code development



# Main Development Achievements in the SI Services (1)



A sales information management system for an automobile dealer

Client: Major automobile manufacturer

Development of a system for managing business negotiations/quotations and receipt and placement of orders and for managing sales support and customer management for dealers across the country

A freight delivery and management system for a home delivery company

Client: Major parcel delivery company

Development of a slip issuance system  
Development of a system for issuing duplicate delivery slips upon request from contracting companies



# Main Development Achievements in the SI Services (2)



A control and management system for automated warehouses

Client: Major logistics & manufacturing company

Development of a system that automates the management of processes from receipt to shipping at logistics centers.  
The system is also equipped with inventory management and conveyance control functions.

An operation management system for steelworks



Client: Major steel manufacturer

Development of a system for the operation of equipment and production lines and quality management in the production process, from the acceptance of raw materials to shipping at the steelworks

# E-commerce Support

Easy My Shop  
QR code



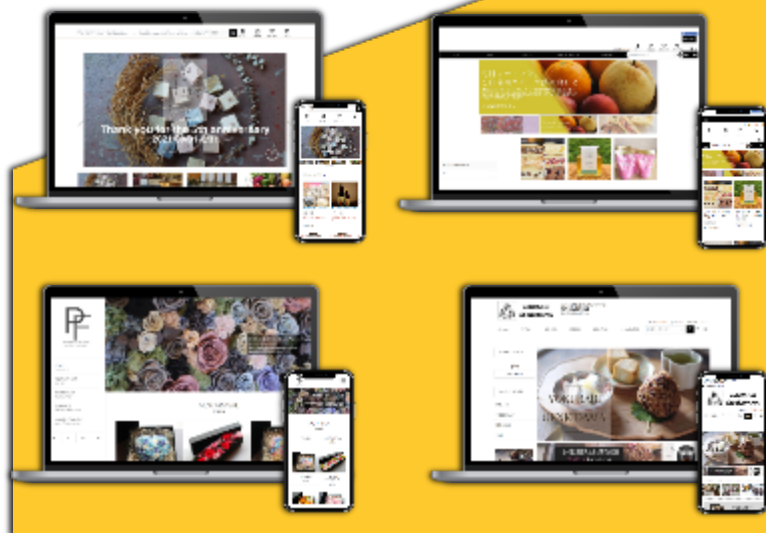
Creator's Mall  
ALULU QR Code



Online store creation and operation web service

## Easy My Shop

- Easily create an online store the way you want
- A total of 30,000 stores
- Bundle sales, custom-made products, dynamic pricing, subscription support, and many other unique features



A shopping promotion site where you can encounter works instilled with the passions of creators

## Creator's Mall ALULU

Approx. **410,000** works  
created by creators



Acts as a bridge  
between creators and  
consumers



Care about **who** you  
buy **from**



Encounter  
wonderful  
products



# ilii Products (Business Package for Small and Medium Enterprises)

Leveraging know-how accumulated over more than 40 years of experience in business software development, we have introduced software to many customers, from back-office systems such as finance and payroll to front-end systems such as CTI and mail order.



## Compatible with the invoice system and the Electronic Books Maintenance Act



Mail order / shopping

Sales management and CRM for mail order business



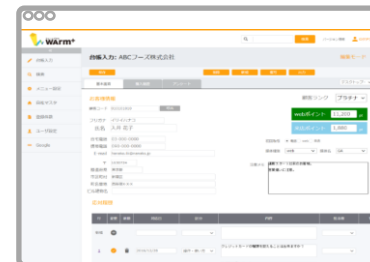
CTI & call center

Add-on CTI



CRM

Cloud-based CRM



BIG series

On-premises customer management



B-to-B sales management



Management from payroll to year-end tax adjustment



Management from journal entry to account settlement



# Document Solution

Digitizing a large amount of paper-based documents while simultaneously maintaining ease of use in input work!

Paperless solutions



お名前	ヤマダ	タロウ
	山田	太郎
生年月日	42年 5月 25日	年齢 52歳
性別	男	ご職業 会社員
ご住所	〒453-0861 愛知県名古屋市中村区岩塚本通	
電話		
Email		

お名前	ヤマダ	タロウ
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電話		
Email		



In-house development by leveraging SR's technological capabilities



High recognition accuracy



Supports electronic signatures



System integration

- ✓ Achieves improvements in operations by eliminating the need for transportation and system transcription work
- ✓ Also, contributes to improving the usability of search and reducing storage costs

Daily reports / Work reports

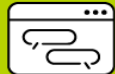
Contracts / Applications

Other paper-based forms

# AI Solution

The service launched in December  
2024!

Generative AI-powered advanced document search support service



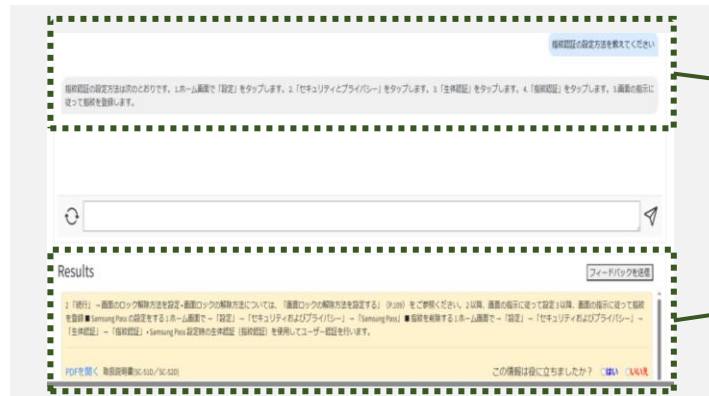
Ask a question in an online chat



Search through the company's internal  
information



Generative AI answers



If a user asks a question in the chat format, generative AI provides an answer by summarizing/translating the necessary information contained in pre-retrieved internal documents.

With documents on which the answer is based displayed, the user can speedily obtain desired information.

## Official announcement of joint research conducted with Nagoya University Hospital



Streamlining a search of documents on medical equipment with the use of the AI solution service.

Providing medical services of higher quality by reducing the workload of healthcare professionals

(Left) Yusuke Fujii, Clinical Engineer, Department of Medical Technique, Nagoya University Hospital

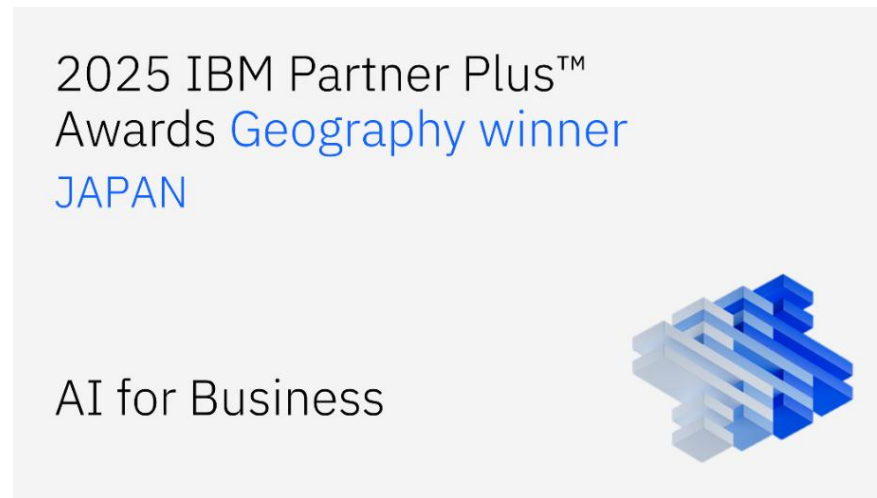
(Middle) Oyama Shintaro, Assistant Professor, Innovative Research Center for Preventive Medical Engineering, Institute of Innovation for Future Society, Nagoya University

(Right) Hiroshi Hirayama, Representative Director and President, System Research

# 2025 IBM Partner Plus Award Won

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We were given the award for the AI for Business category in Japan in recognition of our development of **Digiquery**, which contributes to increasing the business efficiency of customers, and joint research initiatives aimed at developing applications in other businesses.



- **What are the IBM Partner Plus Awards?**

They are a set of awards commending IBM partners who have greatly contributed to the industry through activities such as the proactive provision of support for customers' digital transformation. Candidates are evaluated on their expertise, partnership, impact, innovation and storytelling for awards six categories and five regions around the world. We received the award in the AI for Business category in Japan, which was presented by IBM Japan, Ltd.

<https://jp.newsroom.ibm.com/2025-03-21-japan-winners-of-the-2025-IBM-partner-plus-awards>

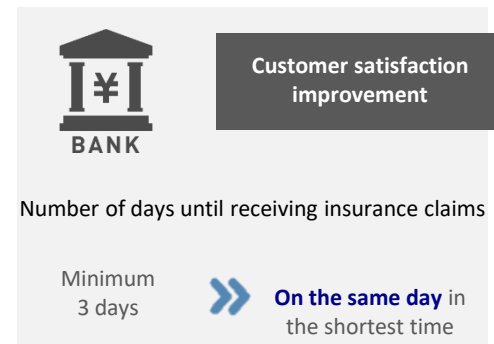
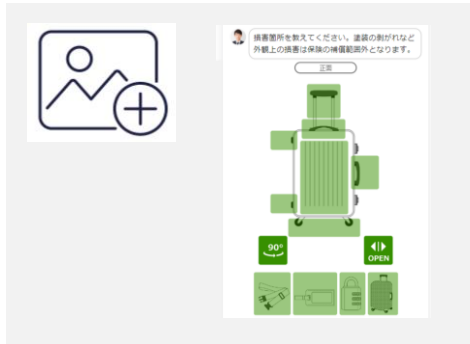
# Example of Use of AI Solution

## Announcement of a joint release with JI Accident & Fire Insurance Co., Ltd. and IBM Japan, Ltd. in September 2024!

An insured person uploads an image of a damaged suitcase.

AI determines whether or not the suitcase has been damaged.

Insurance claim payment is made automatically.



## Full support for the development of JI Accident & Fire Insurance's service



(From left) Daikan Murata, IBM Japan, Ltd., Shigehiro Mori, System Research, Takuya Nagai, JI Accident & Fire Insurance Co., Ltd., Ayako Moritomo, IBM Japan, Ltd.

Automated a suitcase damage determination process with the use of image recognition AI.  
Contributed to improving customer satisfaction and reducing manpower-related costs.



# Other Solutions

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Document solutions



RPA



BI



Operations packages

Development platform

"FLEXSCHE" is a registered trademark of FLEXSCHE Corporation.

Other logo marks are registered trademarks of their respective owners.

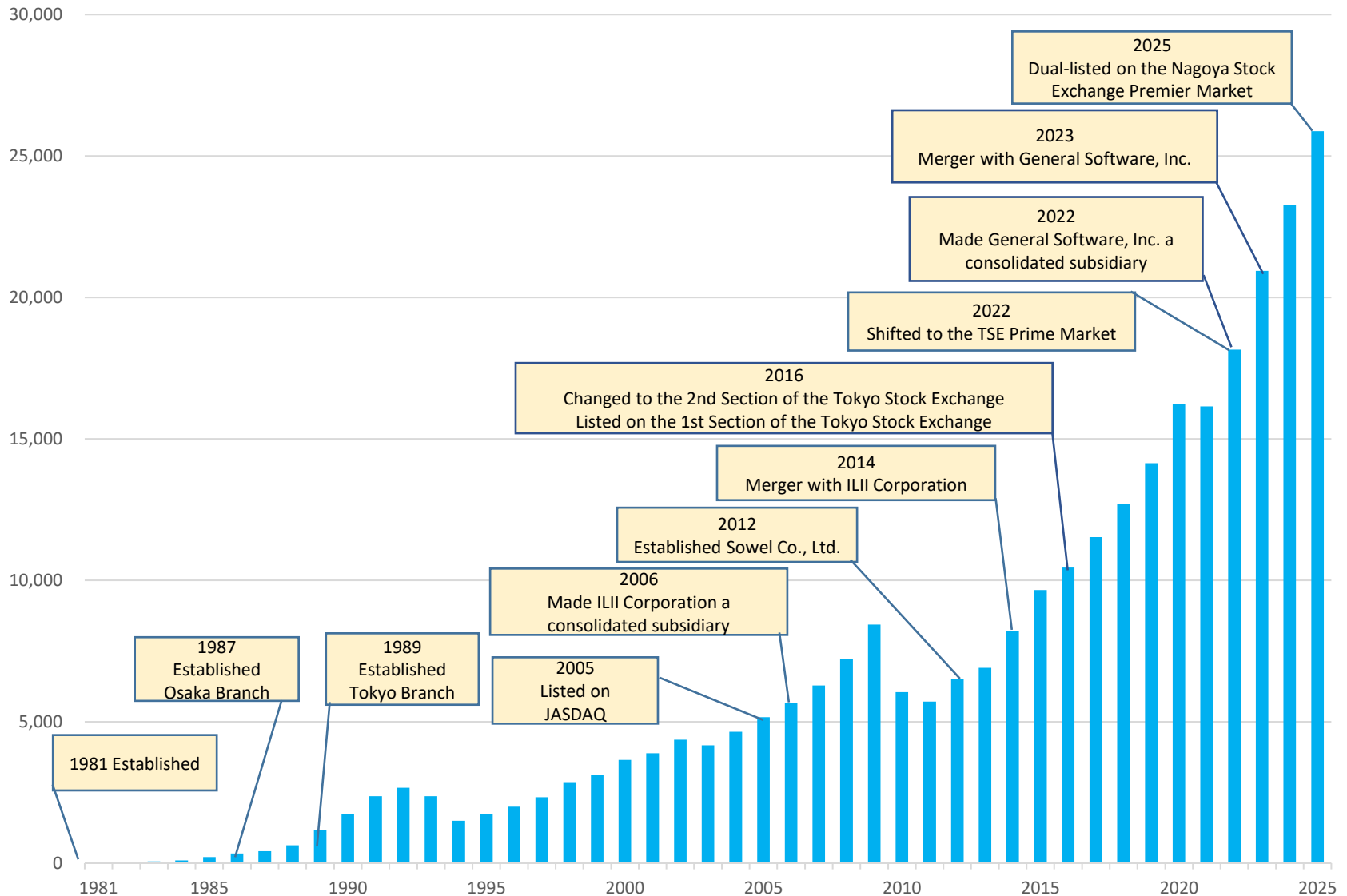
"WinActor" is a registered trademark of NTT Advanced Technology Corporation.

## 7. References



# Appendix (1) History (Non-consolidated Net Sales)

(Million yen)



# Appendix (2) FY3/25 Top Sales Ranking

(Million yen)

Customer	FY3/25 full year	
	Sales amounts	Component ratio
TOYOTA SYSTEMS CORPORATION (Subsidiary of Toyota Corporation)*	4,641	17.9%
SCSK Corporation	1,744	6.7%
Toyota Tsusho Group (Subsidiary of Toyota Tsusho Corporation)*	1,481	5.7%
Hitachi, Ltd.	1,247	4.8%
Toyota Industries Group*	1,245	4.8%
Fujitsu Limited	1,111	4.3%
IBM Japan, Ltd.	706	2.7%
BUSINESS BRAIN SHOWA-OTA INC.	618	2.4%
KOBELCO SYSTEMS CORPORATION (Subsidiary of Kobe Steel, Ltd.)	535	2.0%
Daido IT Solutions Co., Ltd.	463	1.8%
Other NGK INSULATORS, LTD., Daifuku Co., Ltd., NIPPON EXPRESS CO., LTD., TOPPAN Inc., KAGOME CO.,LTD., Meiko Trans Co., Ltd., DUSKIN CO., LTD.	12,134	46.8%
Total	25,931	100%

\* Toyota Group

# Appendix (3) Consolidated Statements of Income

FY3/25

(Million yen)

Item	Non-consolidated		Consolidated	
	Amount	Percentage	Amount	Percentage
Net sales	25,878	100.0%	25,931	100.0%
Cost of sales	19,822	76.6%	19,903	76.7%
Gross profit	6,056	23.4%	6,028	23.2%
Selling, general and administrative expenses	3,065	11.8%	3,030	11.6%
Operating profit	2,990	11.5%	2,997	11.5%
Ordinary profit	3,049	11.7%	3,066	11.8%
Profit	2,186	8.4%	2,194	8.4%

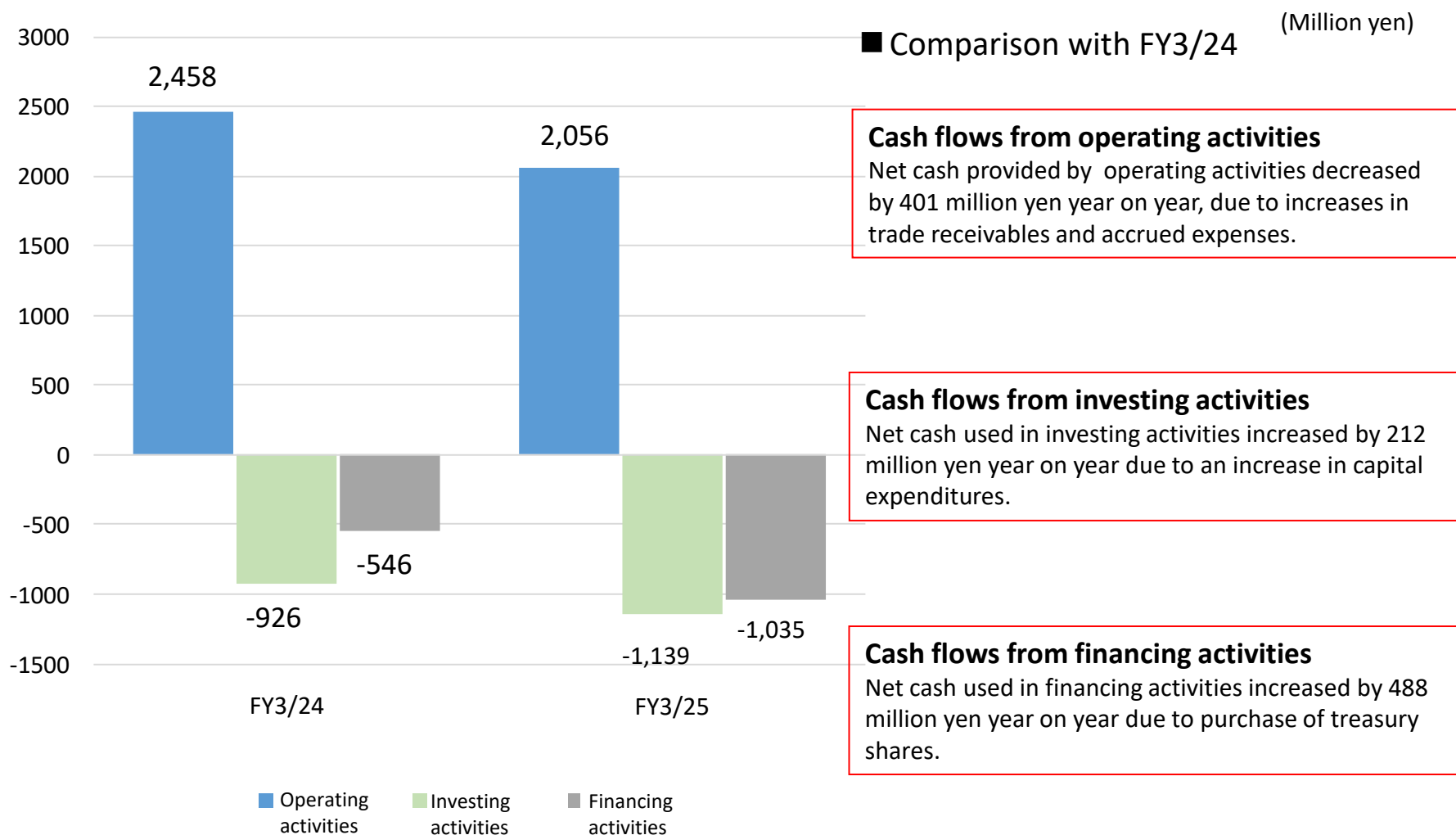
# Appendix (4) Consolidated Balance Sheets

FY3/25

(Million yen)

Item	Amount (Non-consolidated)	Amount (Consolidated)	Account item	Amount (Non-consolidated)	Amount (Consolidated)
Cash and deposits	8,125	8,203	Accounts payable-trade	1,216	1,063
Accounts receivable-trade and contract assets	5,288	5,297	Short-term interest-bearing debt	730	730
Inventories	8	8	Income taxes payable	590	591
Other current assets	97	98	Other current liabilities	2,581	2,745
Property, plant and equipment	2,822	2,822	Long-term interest-bearing debt	566	566
Intangible assets	316	313			
Investments and other assets	796	782	Net assets	11,769	11,829
Total assets	17,455	17,526	Total liabilities and net assets	17,455	17,526

# Appendix (5) Consolidated Cash Flows



# Appendix (6) Medium-Term (3-year) Management Plan

(Consolidated)

(Million yen)

Item	FY3/26 (plan)	FY3/27 (forecast)	FY3/28 (forecast)
Net sales	29,314	32,832	36,776
Operating profit	3,445	3,896	4,400
Ordinary profit	3,504	3,952	4,455
Profit	2,535	2,731	3,080

Operation category	FY3/26 (plan)	FY3/27 (forecast)	FY3/28 (forecast)
SI services	12,123	13,637	15,117
Software development	15,841	17,750	20,003
Software products	580	593	606
Merchandise sales	356	370	493
Other	413	480	555
Total	29,314	32,832	36,776



\* Note pertaining to this data:

- The purpose of these materials is to provide information about the Group's financial results and business strategies. They are not intended to solicit any purchase or sale of shares of the Company's stock.
- The forward-looking statements of the Group described in these materials are based on current information, and are subject to change due to various uncertainties inherent in forecasts, and future changes in the state of business operations.
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