



First Half of Fiscal Year Ending March 2026 (1H FY3/26) Results Briefing

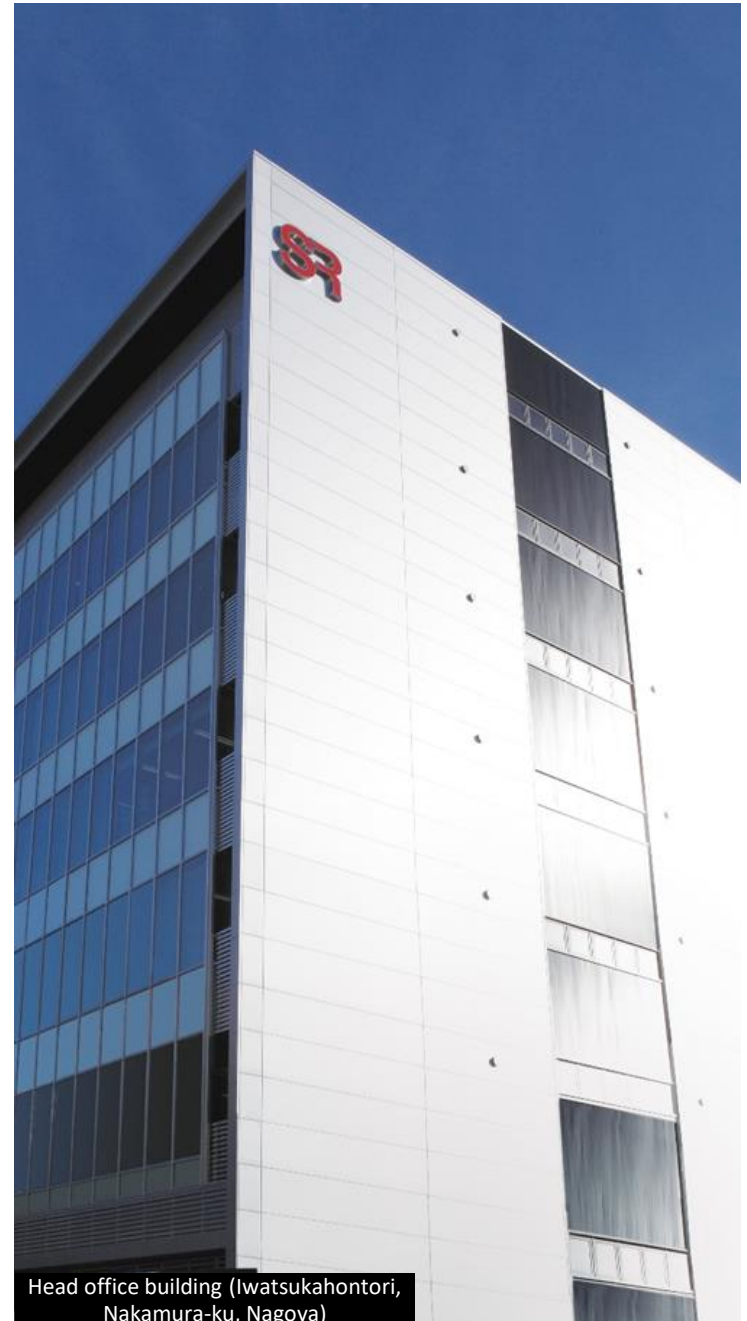
SYSTEM RESEARCH CO., LTD.

(TSE Prime/NSE Premier: 3771)

- 01.** Company Profile
- 02.** First Half of FY3/26 Results
- 03.** Medium-Term Management Plan
- 04.** Sustainability
- 05.** Solutions
- 06.** Shareholder Return
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01. Company Profile



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

Company Profile

Established	March 1981
Listed stock exchange	TSE Prime / NSE Premier * Listed on the First Section of the Tokyo Stock Exchange in December 2016 Duplicate listing of the Nagoya Stock Exchange in March 2025
Representative	Hiroshi Hirayama, Representative Director and President
Capital	550.15 million yen
Number of employees (Consolidated)	1,615 Average age: 33.2 (As of September 30, 2025)
Consolidated subsidiaries	Sowel Co., Ltd.
Major shareholders	Toshiyuki Yamada (9.55%) The Master Trust Bank of Japan, Ltd. (7.03%) (As of September 30, 2025)

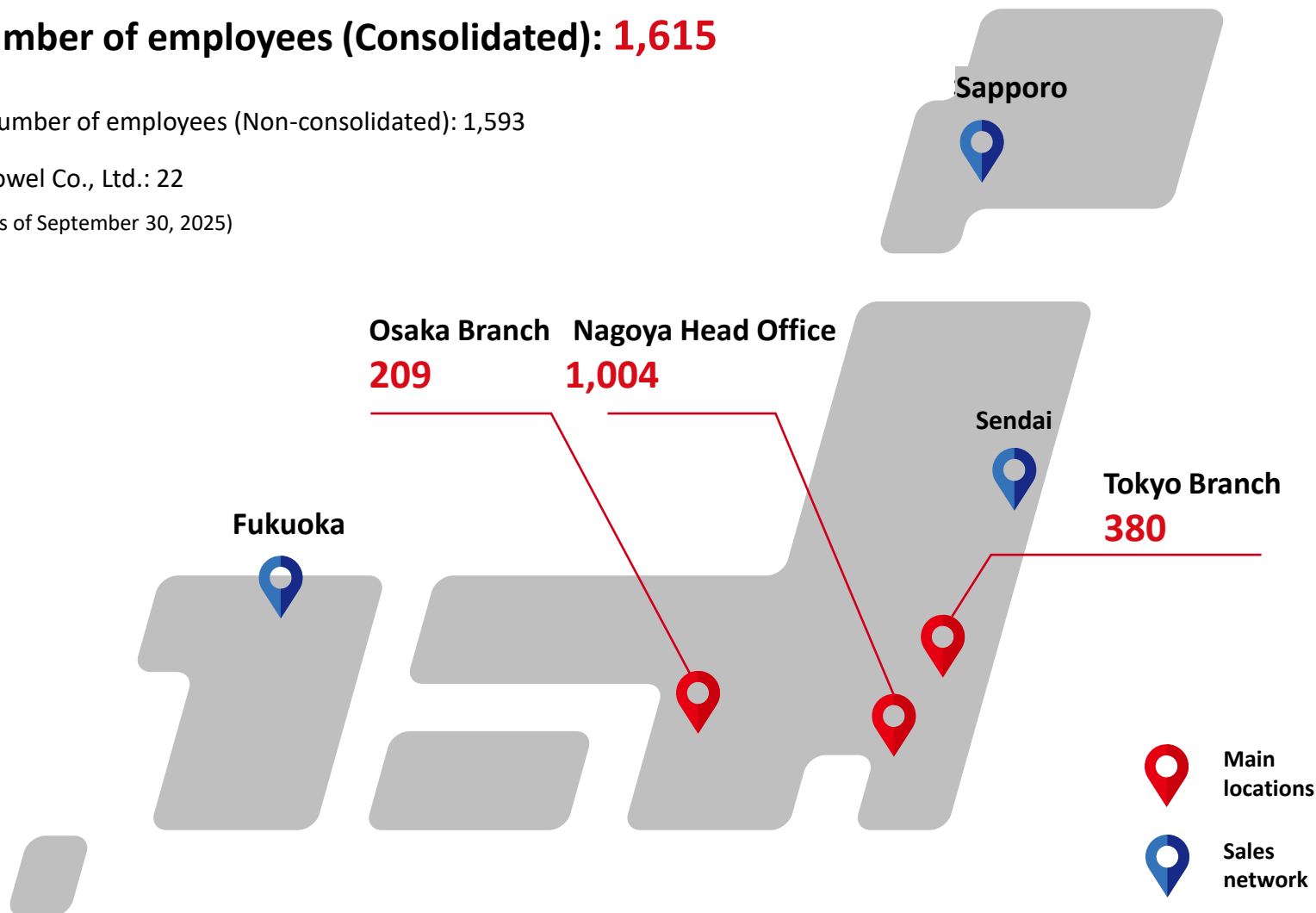
Branches and Sales Locations

Number of employees (Consolidated): **1,615**

Number of employees (Non-consolidated): 1,593

Sowel Co., Ltd.: 22

(As of September 30, 2025)



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 support for independence and opportunities
to experience the joy of living for people with disabilities
One aspect of the Group's
corporate social contributions
Fulfilling our obligation to
employ persons with
disabilities

Sowel website
Two dimensional
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



An IT Partner that is Close to Your Business

Corporate Vision

- 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

Computer Manufacturers

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

TOYOTA Group (Approx. 30% of total sales)

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

Major Slers

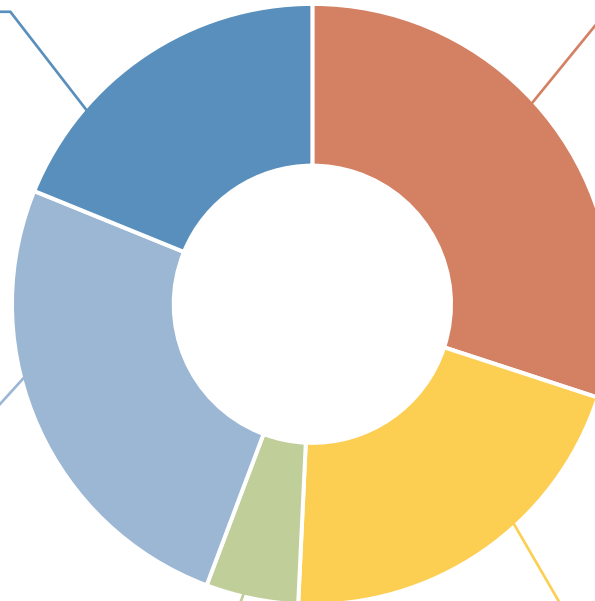
SCSK Corporation
ITOCHU Techno-Solutions Corporation
TIS Inc.
NS Solutions Corporation
NTT DATA TOKAI Corporation

Other End-users

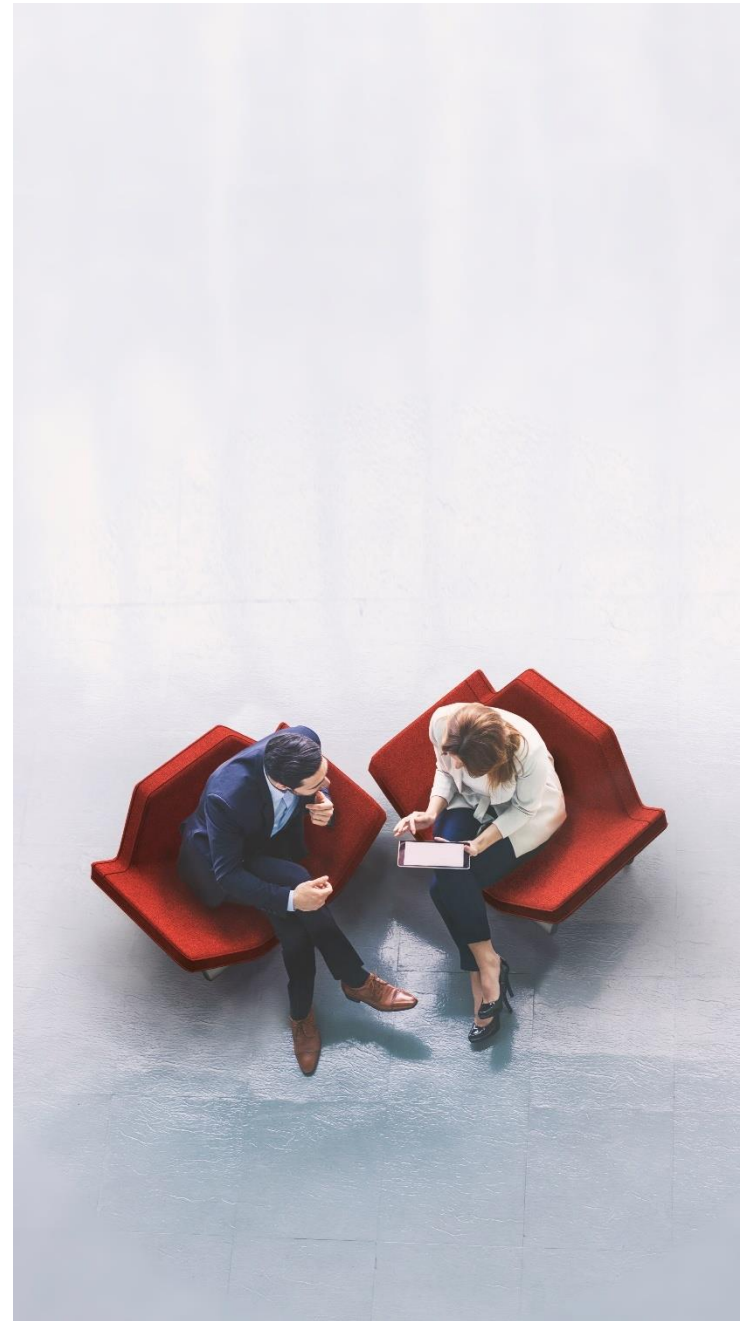
Yamato Transport Group
NIPPON EXPRESS CO., LTD.
Meiko Trans Co., Ltd.
Daido IT Solutions Co.,Ltd.
NGK INSULATORS, LTD.
Daifuku Co., Ltd.
OKUMA Corporation
ASAHI INTECC CO., LTD
Mitsubishi Electric Group
KAGOME CO.,LTD.
TOPPAN Inc.
SoftBank Corp.
Pan Pacific International Holdings Corporation

Consulting

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



02. First Half FY3/26 Results



Summary of First Half of FY3/26 Results (Consolidated)

(Million yen)

Net sales **increased by 12.3%** year on year, setting a new record.
We also achieved record operating profit and ordinary profit.

	Percentage of net sales (%) 1H FY3/25 (April 2024 – September 2024)	Percentage of net sales (%) 1H FY3/26 (April 2025 – September 2025)	YoY changes
Net sales	12,635	14,194	+12.3%
Gross profit	21.7% 2,742	22.4% 3,187	+16.1%
Operating profit	9.6% 1,221	10.7% 1,519	+24.3%
Ordinary profit	9.8% 1,238	10.7% 1,531	+23.6%
Profit attributable to owners of parent	7.1% 900	7.9% 1,121	+24.5%

First Half of FY3/26 Sales by Category

(Million yen)

Business description	Sales fields	1H FY3/25	1H FY3/26	Changes	
		Net sales	Net sales		
SI service	SI services	5,071	5,346	+5.4%	Increased orders for contract-based projects
SI service	Software development	6,938	8,104	+16.8%	Securing repeat orders
Software products	Software products	214	189	-11.8%	Decreased sales of packaged software
Software products	Merchandise sales	220	405	+83.4%	
Software products	Web services, etc.	190	148	-21.8%	
Total		12,635	14,194	+12.3%	

FY3/26 Results Forecast (Consolidated)

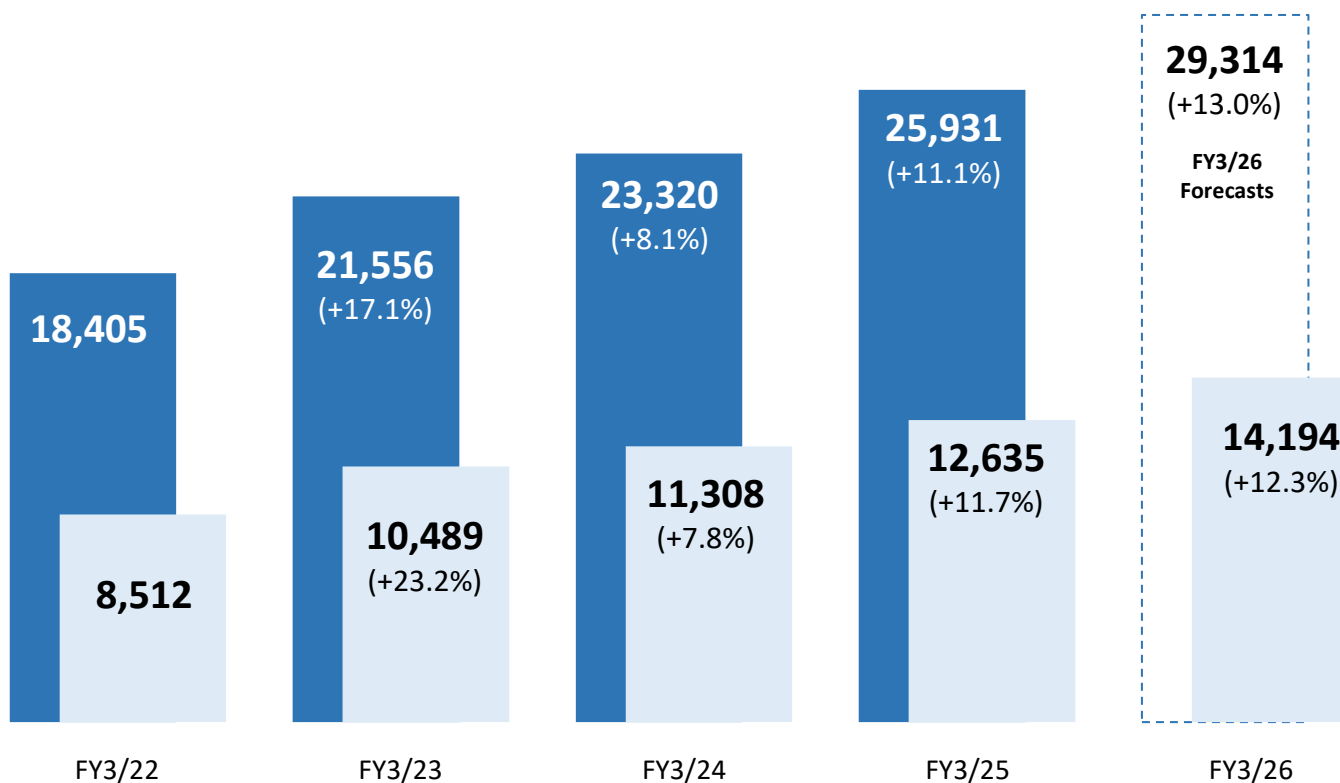
(Million yen)

[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%

Net Sales (First Half/Full Year) (Consolidated)

(Million yen)

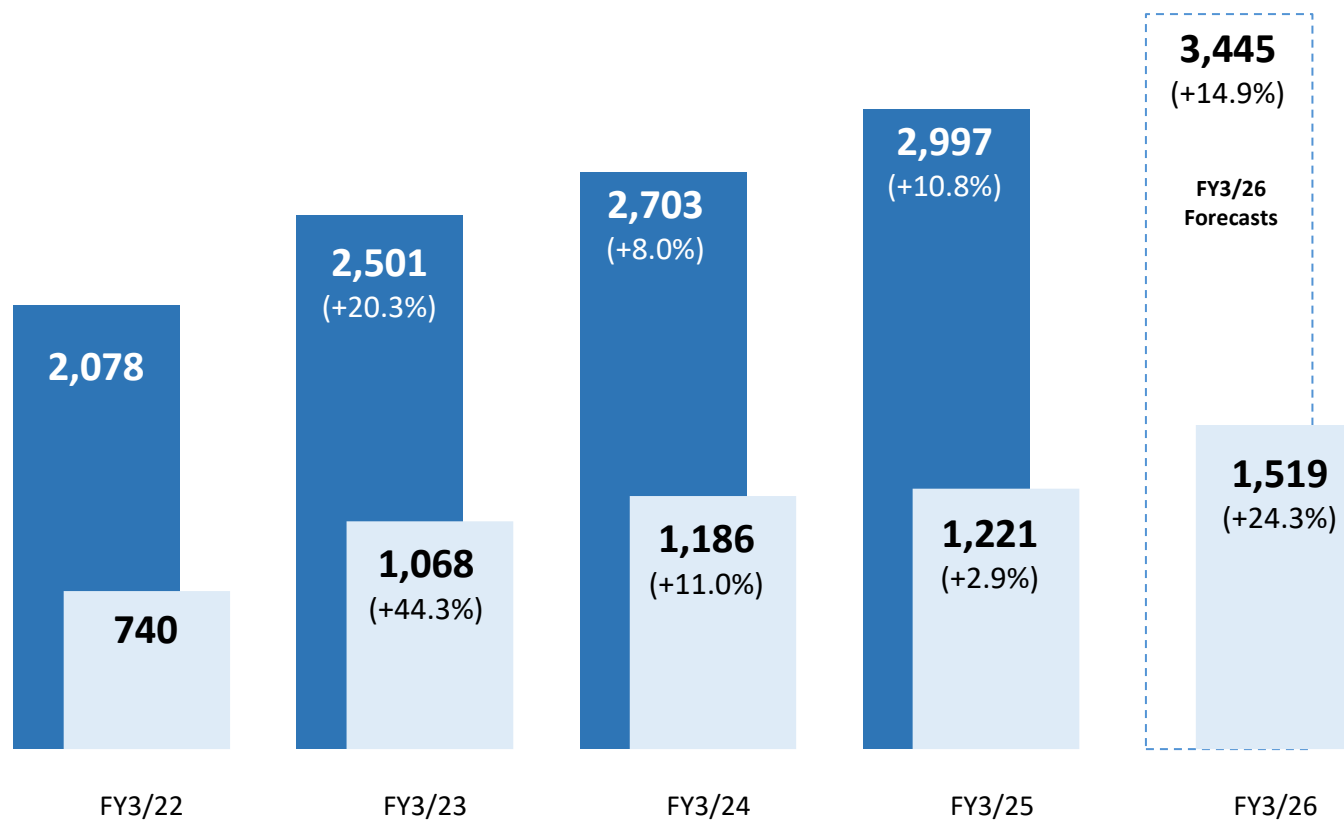
■ Full year ■ First half



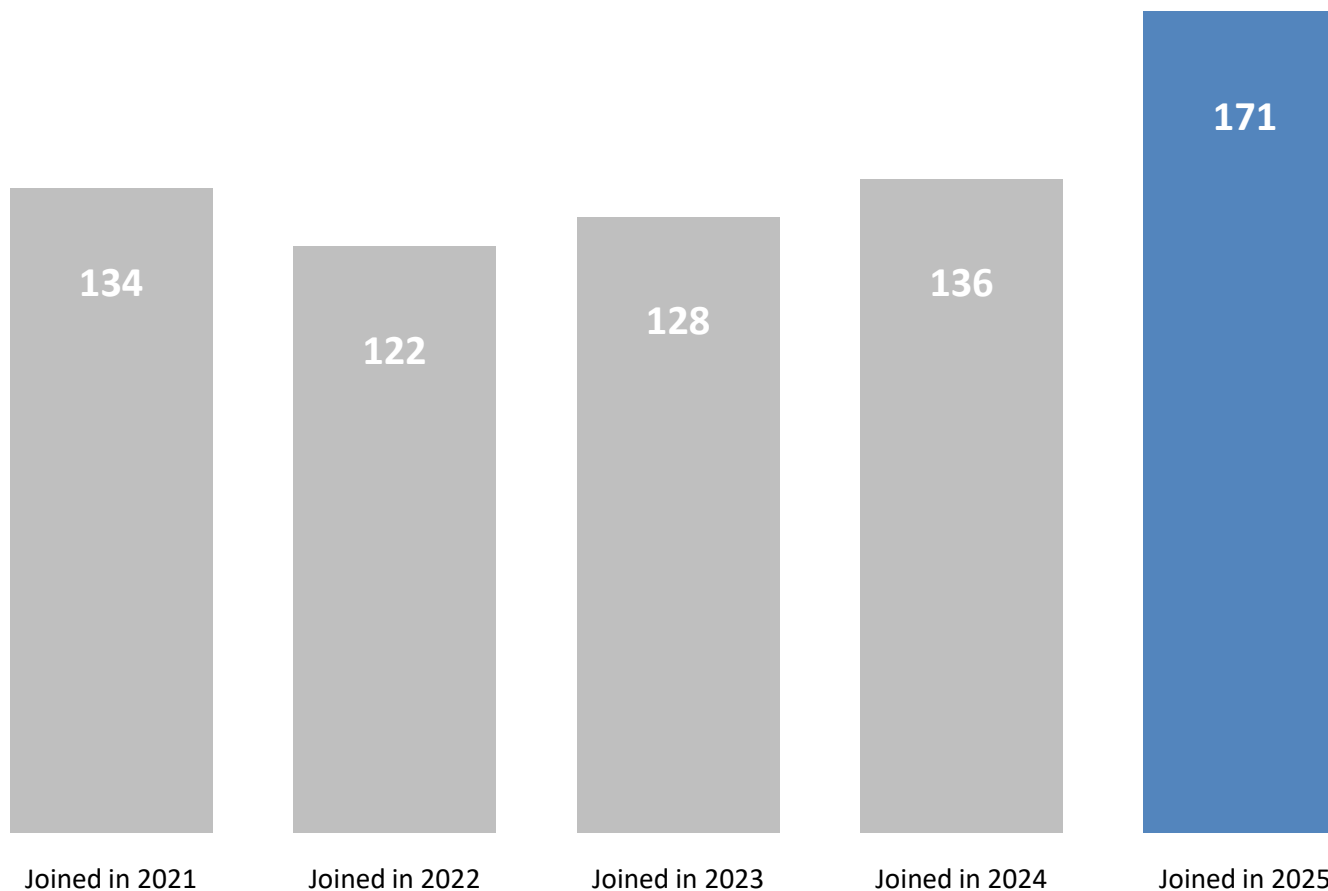
Operating Profit (First Half/Full Year) (Consolidated)

(Million yen)

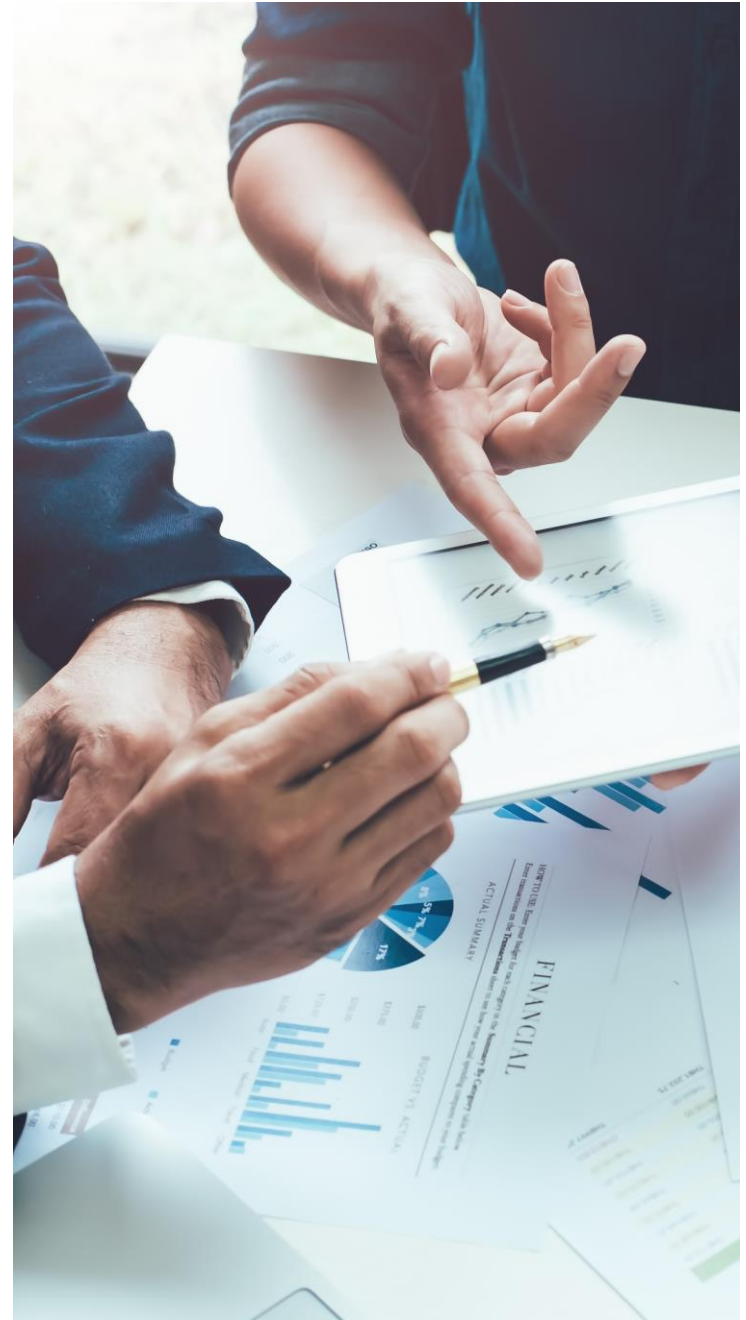
■ Full year ■ First half



New graduate recruitment for the past five years



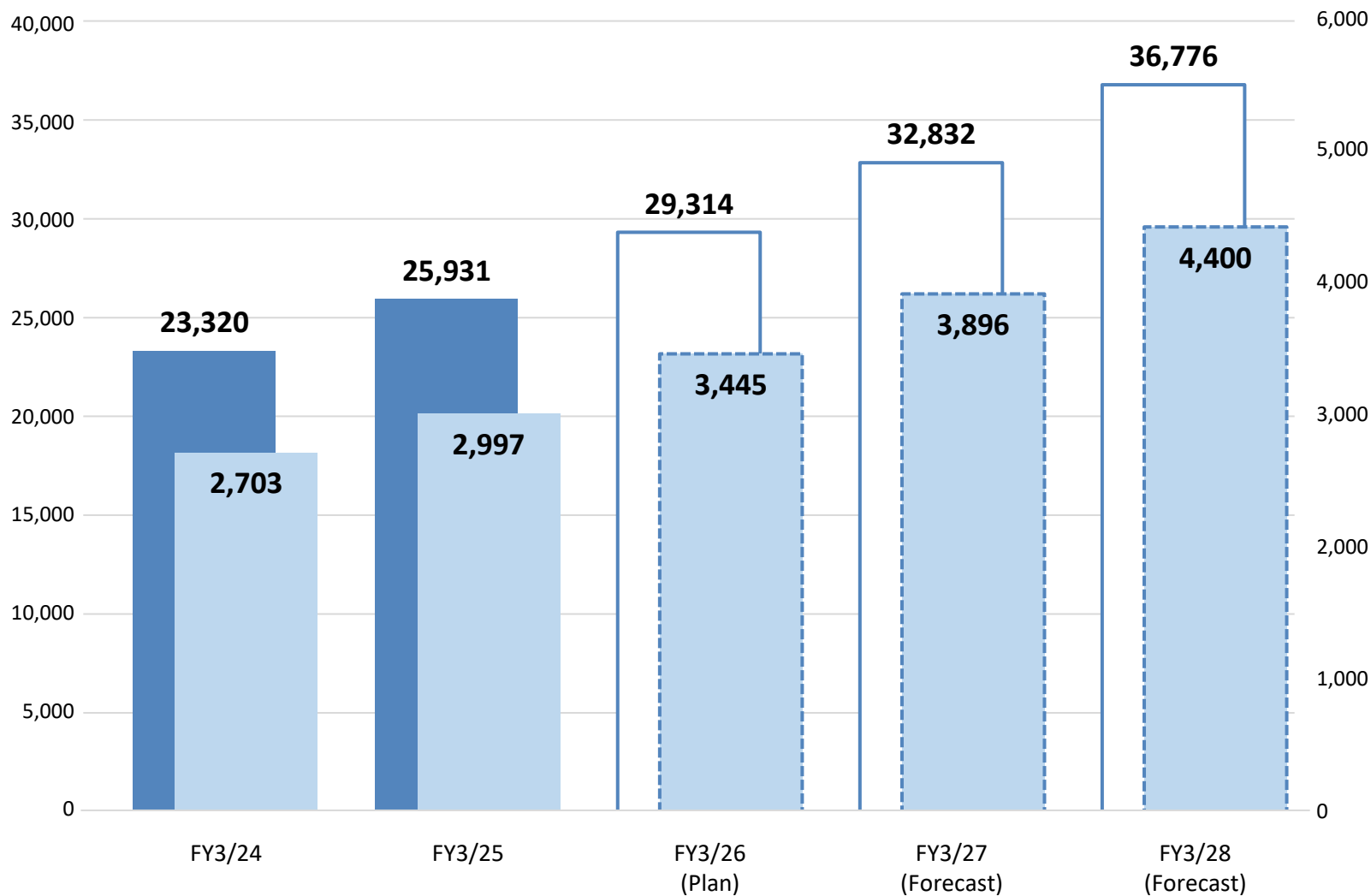
03. Medium-Term Management Plan



Medium-Term (3-year) Management Plan (Consolidated Net Sales and Consolidated Operating Profit)

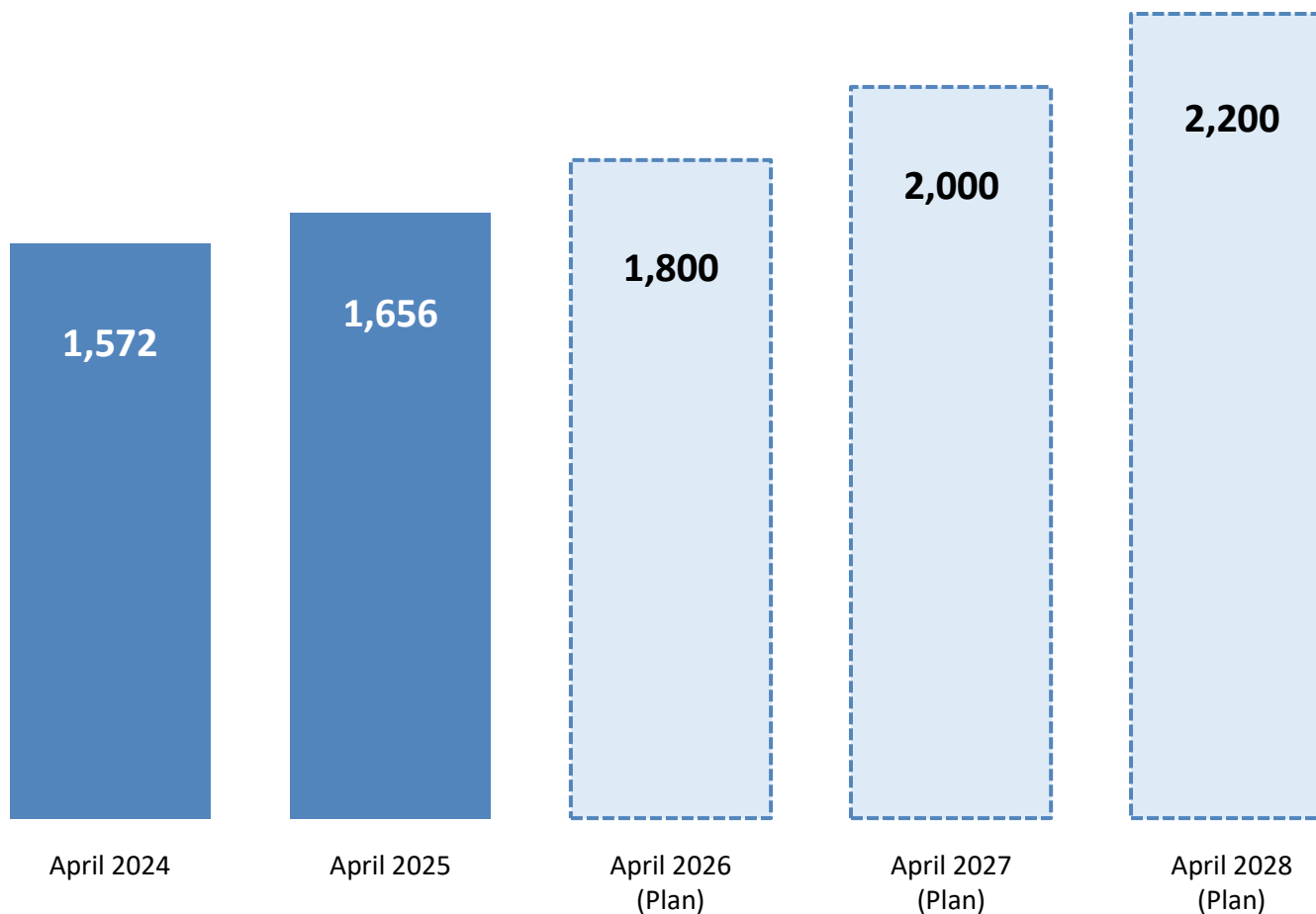
(Million yen)

■ Net sales ■ Operating profit



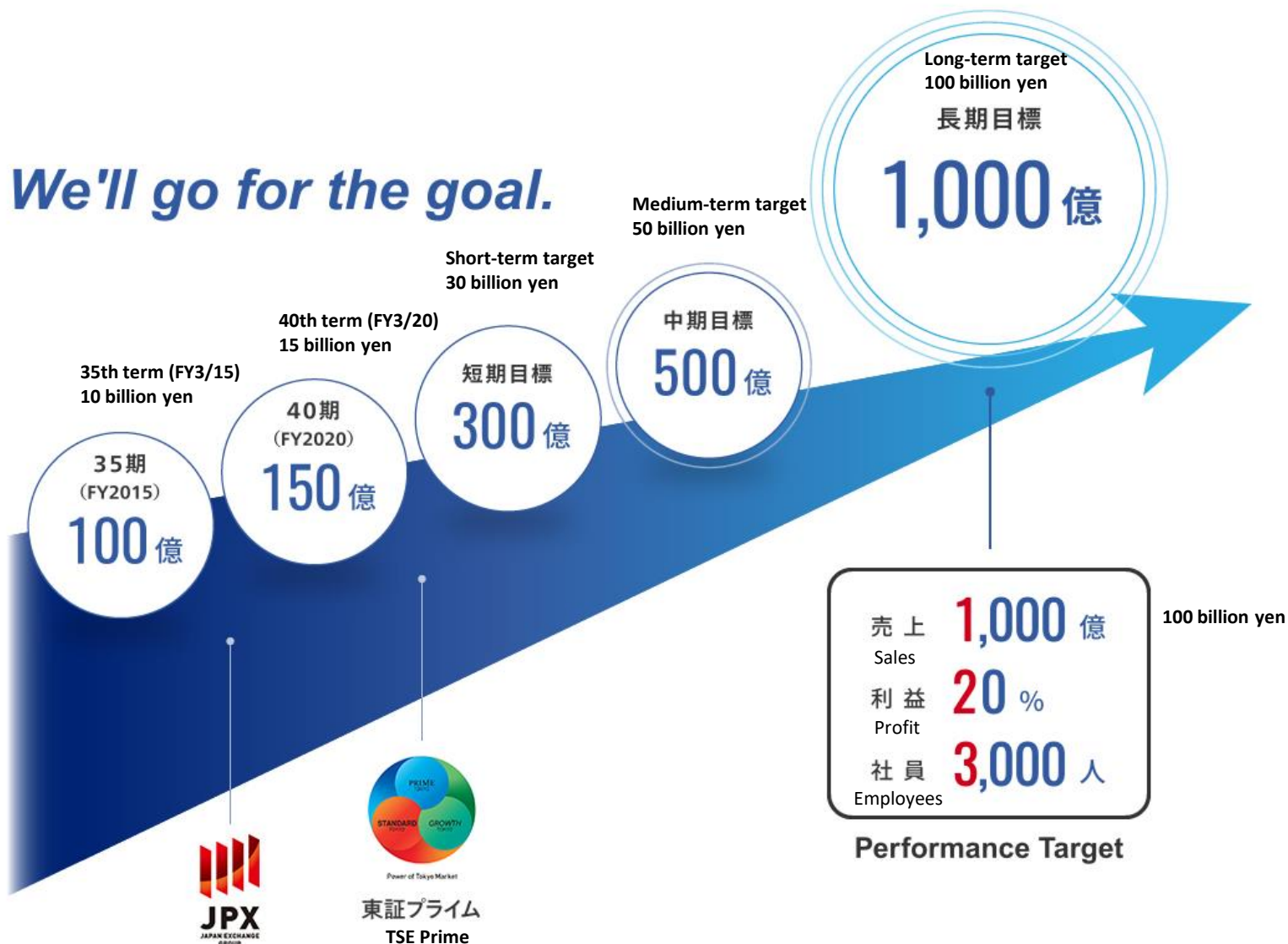
Medium-Term (3-year) Management Plan (Consolidated Employees)

(Persons)



Medium- and Long-term Targets

We'll go for the goal.



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).

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.



コア事業の 拡大と高度化

Expansion and increased sophistication of core businesses

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.

01 Expansion and increased sophistication of core businesses

Supporting customers' businesses with SI solutions

Expansion of core businesses

Customers' industries

Large- to upper-
medium-sized
companies in Chubu

<Chubu market>
Manufacturing, industries,
and automobiles

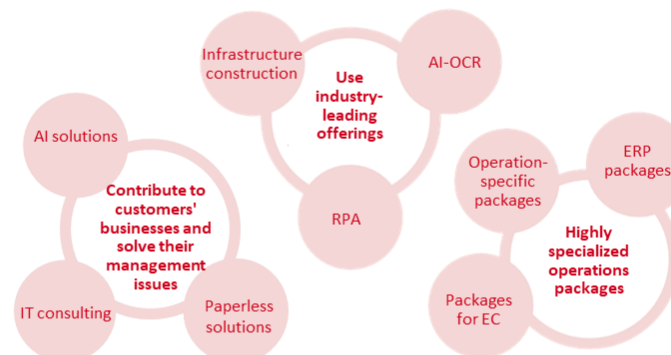
Manufac-
turing
Logistics
Transport
ation
Distributi-
on
Automob-
iles
Steel
Public infra-
structures
Finance

Large- to upper-medium-
sized companies in Kanto
and Kansai

Customers' regions

Deep exploration of the Chubu region and further
exploitation of the Kanto and Kansai regions

Increased sophistication of core businesses



Enhance solution services!!

Strong sales team

Sales management



目標 Goal
行動 Action
対人 Negotiation
解決 Solution

Deep cultivation of existing customers

+
New customer development

SI services x DX solutions

Business specialization
Solution services without reliance on specific
customers

Area of expertise
Area of expertise with competitive advantages that
are selected by customers

Customer-oriented
An essential IT partner that is close to customers

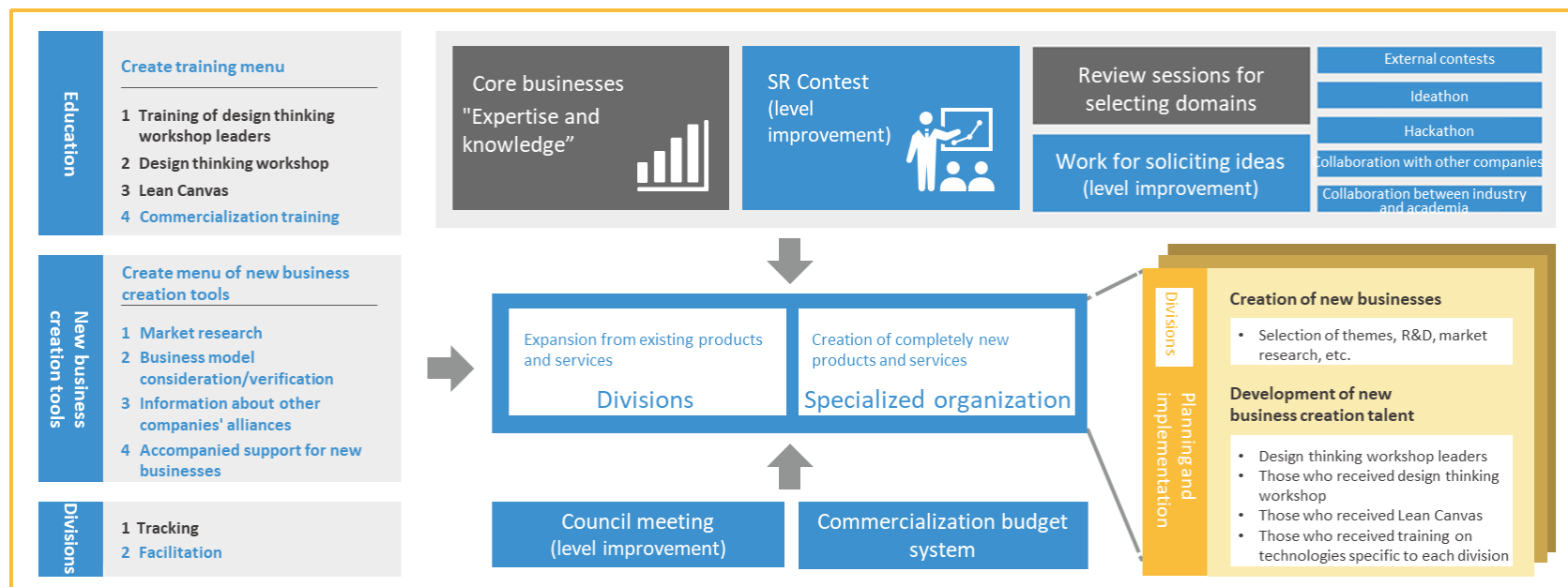
Strengthen management and improve
proposal capability

02 Take on the challenge of creating next-generation businesses

innovation 10×10 (ten by ten) --Taking on the challenge of creating new businesses

Framework for creating new businesses

■ New business ■ Existing business



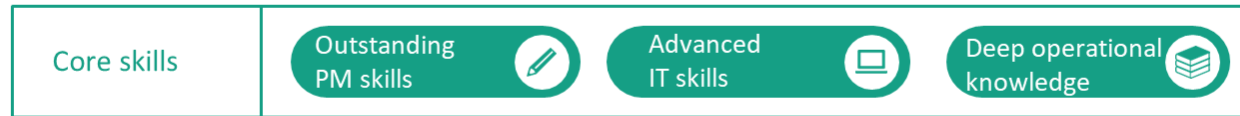
Next-generation core businesses

Create ten new businesses which permits targeting one billion yen or more



03 Technological capabilities to create new value

Design engineering capabilities with core skills



Initiatives

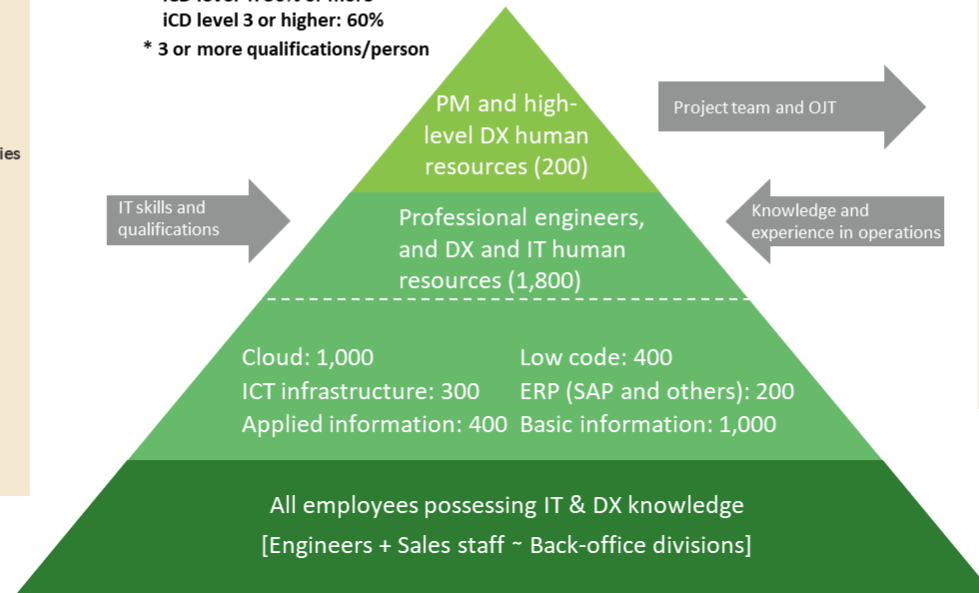
- SE convention
- Create project books
- PM development curriculum
- PRiMER*
- Formulate technological strategies
- Acquire qualifications (from the national government/vendors)
- Training (internal and external)
- Learning portal site
- AI Use Promotion Office



*Project risk management

Human resources base as the foundation

- * iCD level 4: 30% or more
- iCD level 3 or higher: 60%
- * 3 or more qualifications/person



Customers (development frontline) and their needs

- Distribution 
- Energy 
- Manufacturing 
- Automobiles 
- Logistics 
- Steel
- Electrical equipment
- Public infrastructures



04 Strengthen human capital and back-office operations

Back up the organization's expansion into one with 2,000 members



05 Deepen employee engagement

Drive systems which have the company and employees grow together

■ Increase employees' sense of unity

- Achieve sustainable business growth
- Cultivate an organizational culture of taking on challenges
- Enhance branding

*Human capital report
Disclosure of engagement indexes



■ Comfortable workplaces

- Provide healthy, secure, safe environments
- Realize diverse work styles
- Pursue productivity and efficiency

*Remain certified as Health & Productivity Management Outstanding Organizations
Kurumin certification
Check the average monthly overtime
Check the average number of days of annual paid leave taken



Share the Management Philosophy and Corporate Vision
Management and personnel strategies



■ Support the personal development of individual employees

- Provide opportunities for e-learning, etc.
- Provide learning opportunities
- Self-development programs

*Training opportunities
Provide communities
Check training hours



▲ SR learning portal site (SilCity)

■ Strengthen feedback

- Visualize human resource information
- Clarify jobs and positions
- Career development support program

*System for using iCD
ITSS training



Future business environment

Demand for modernization of legacy systems

- Legacy systems still remain at 74% of major companies.
“Legacy Systems Modernization Committee Comprehensive Report”
(Ministry of Economy, Trade and Industry)
- Modernization of legacy systems, which hamper business management, is a pressing task for companies, and demand will remain brisk for some time.

Engineer shortage

- In 2030, shortage of up to 790,000 IT human resources is projected.
“Survey Report on IT Human Resources Supply and Demand”
(Ministry of Economy, Trade and Industry)
- Competition for human resources will be fiercer in the future, and system integrators which fail to secure human resources with high-tech skills will be unable to survive.

Rise of generative AI

- Automation and streamlining of development process will make progress, helping to eliminate the problem of engineer shortage and improve profit rate.
- Roles that were played by system integrators will be played by AI instead.
→ A risk of revenue decline, such as a decrease in orders received and a fall in unit prices, will arise.



- Evolving from a system integrator engaged in contracted development into one which can provide services with higher added value
- Responding to the industry reorganization through M&A and management integration

04. Sustainability



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
- Career development support program (human resource development)

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 information, 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)

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

Male

100%

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 hours
and
15 minutes

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 2025 by the Ministry of
Economy, Trade and Industry, Nihon
Kenko Kaigi



Received iCD Company Certification
Gold★★ certification



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



IS 81 748 /ISO (JIS Q) 27 001

Obtained Information Security
Management System

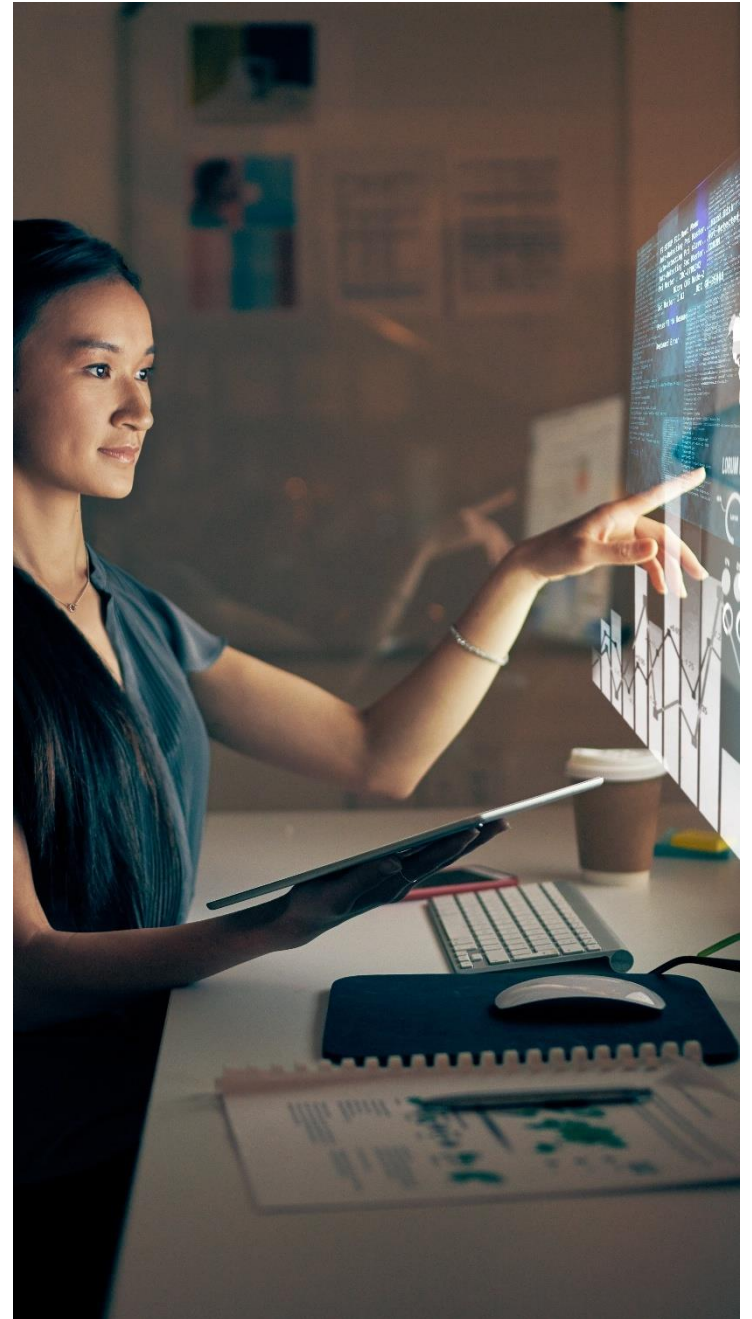
Scope of registration:

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.

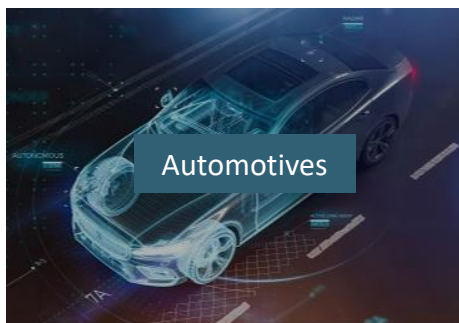


Acquired Privacy Mark by the
Ministry of Health, Labour and
Welfare

05. Solutions



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



Main Development Achievements in the SI Services (1)

01

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



02

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)

03

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.



04

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



Main Development Achievements in the SI Services (3)

05

IT operations analysis and consulting

Client:

Major medical product supplier

Support for the reinforcement of the client's structure and sales measures provided through IT operations analysis and consulting as well as introduction of CTI and the development of an app based on the results of the analysis and consulting



06

Construction of infrastructure for a mission-critical system in an AWS environment

Client:

Major service company

Construction of infrastructure in an AWS environment, implemented on the occasion of rebuilding the mission-critical system



Main Development Achievements in the SI Services (4)

07 ERP system of a trading company

Client:
Major trading company

Introduction, development, and version upgrade tasks for an SAP system for sales, purchasing, and accounting operation domains.
The system was also introduced to subsidiaries.



08 Low-code development of a system for managing prototype car production information

Client:
Major automobile manufacturer

A highly flexible system was provided quickly through large-scale agile development that was made by using OutSystems, a low-code development tool.



Online store creation and operation web service

Easy My Shop

Easy My Shop
Two dimensional
code



- Easily create an online store the way you want
- 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

Creator's Mall ALULU
Two dimensional
code



Approx. **400,000** works
created by creators



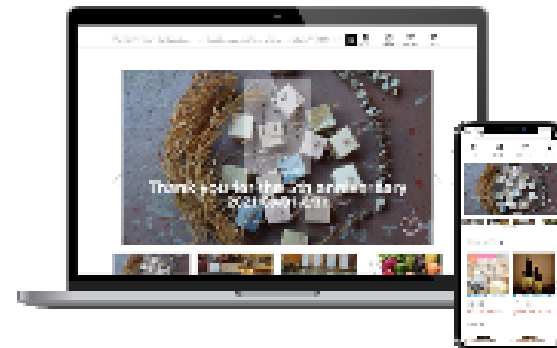
Acts as a bridge
between creators and
consumers



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



Encounter
wonderful
products

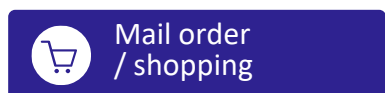


ilii Products (Business Package for Small and Medium Enterprises)

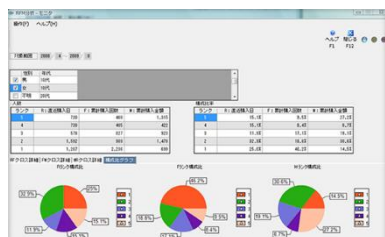
Leveraging know-how accumulated over more than 40 years of experience in business software development, we have introduced software to many customers, from back-office systems such as finance and payroll to front-end systems such as CTI and mail order.



Compatible with the invoice system and the Electronic Books Maintenance Act



Sales management and CRM for mail order business



Add-on CTI



Cloud-based CRM



Ili Cloud Smacal Payroll

イリイのクラウド

+スマカル 給与

On-premises customer management

BIG 顧客管理 **NEO**

B-to-B sales management

BIG 販売管理 **NEO**

Management from journal entry to account settlement

BIG 財務会計 **NEO**

From **research** to **dialogue**

AI as a window to knowledge

AI assistant PathBee

AIアシスタント
パスビー

What is the AI assistant PathBee?

PathBee is an AI chatbot service that automates responses to inquiries from inside and outside a company.

With a combination of RAG technology and generative AI, PathBee looks for the necessary information in the knowledge base built with a company's data and generates a natural, easy-to-understand answer.

RAG technology

Information related to the question is searched for in documents or a website.

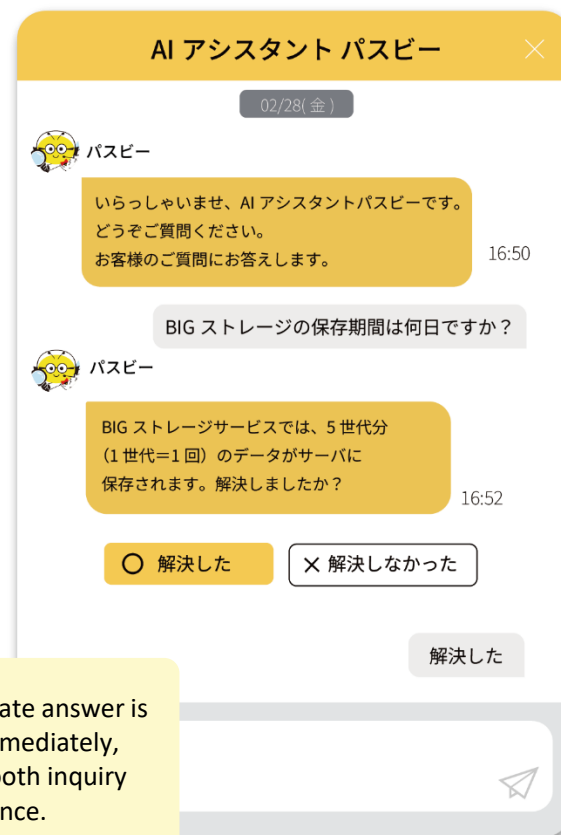


Generative AI

An answer is created based on information found with RAG.



A natural, accurate answer is generated immediately, providing smooth inquiry experience.



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) Shintaro Oyama, 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

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.



Customer satisfaction improvement

Number of days until receiving insurance claims

Minimum
3 days

➡ **On the same day** in the shortest time

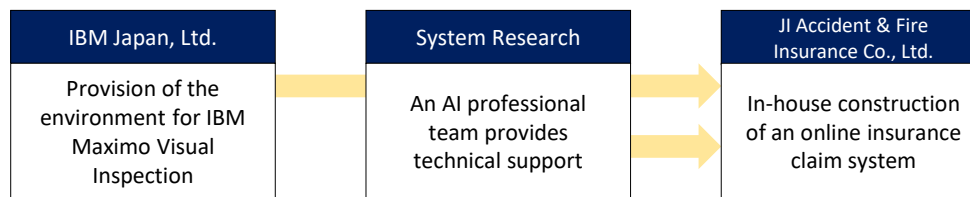
Full support for the development of JI Accident & Fire Insurance's service

Automated a suitcase damage determination process with the use of image recognition AI.

Contributed to improving customer satisfaction and reducing manpower-related costs.



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



Other Solutions

 **DX Suite**

 **i-Reporter**

 **CLOUDSIGN**

BI

 **MOTIONBOARD**

 **Dr. Sum**

Infrastructure

 **HashiCorp
Terraform**

RPA

 **UiPath**

 **WinActor®**

ERP

 **IFS**

 **mcframe**

AI

watsonx®

Operations packages

 **FLEXSCHE**

Development platform

Power Platform

 **Framework3**

BiZBROWSER®

CRM

 **salesforce**

PARTNER

 **kintone**

*Company names, product and service names and logo marks are trade names, trademarks or registered trademarks of their respective owners.

06. Shareholder Return



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
EPS (Earnings per share)	95.80 yen	117.81 yen	132.29 yen	153.07 yen
ROE (Return on equity)	18.57%	20.06%	19.66%	19.90%
Dividend per share	35.0 yen	40.0 yen	60.0 yen	60.0 yen

* 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.

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.



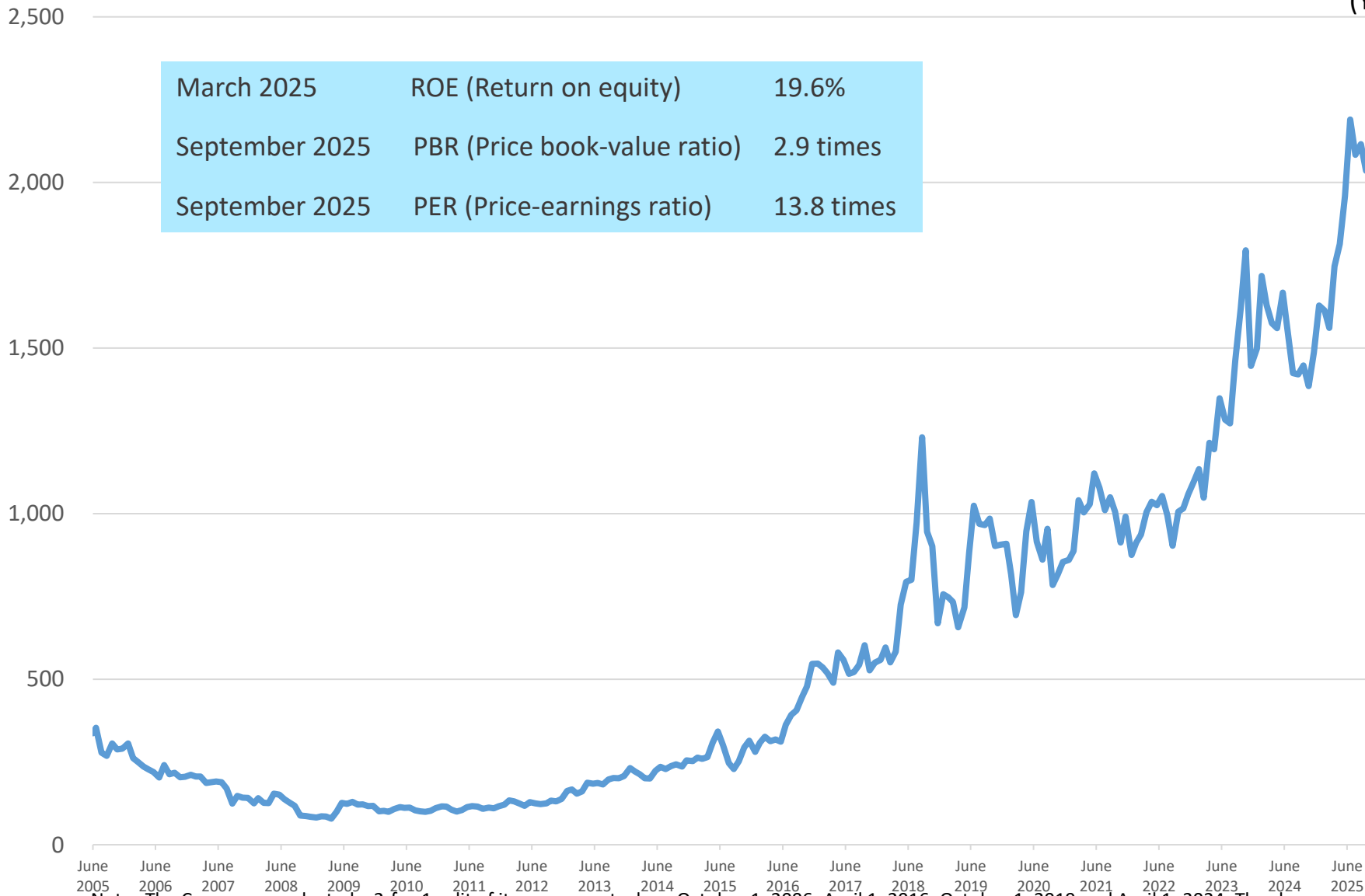
● What is the Minkabu Award?

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>

Stock Chart

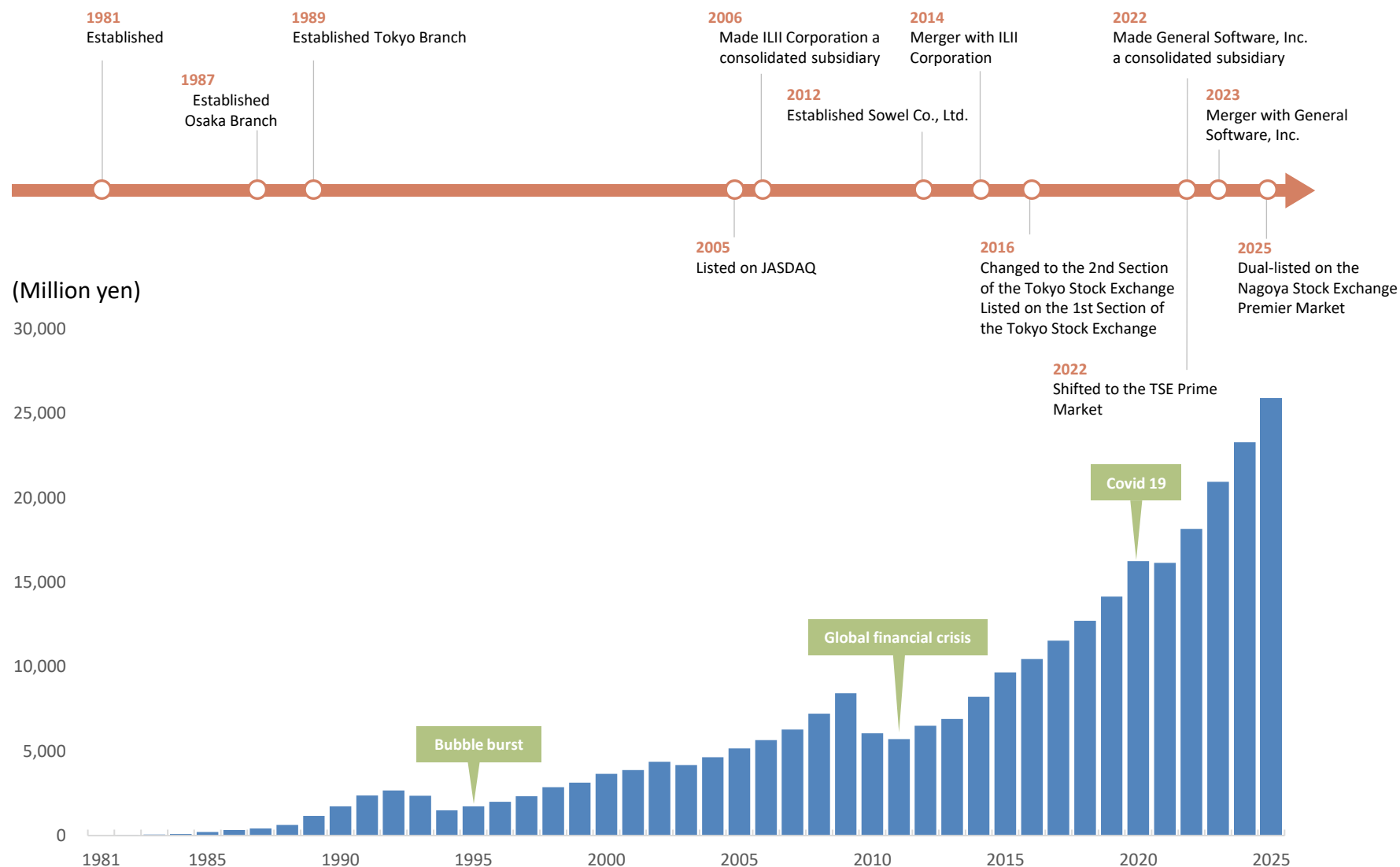
(Yen)



Note: The Company conducted a 2-for-1 split of its common stock on October 1, 2006, April 1, 2016, October 1, 2019 and April 1, 2024. The share price and turnover figures before the stock split have been adjusted to the levels after the split for the purpose of maintaining continuity.

07. References

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



Appendix (2) Consolidated Statements of Income

(Million yen)

1H FY3/26

Item	Non-consolidated		Consolidated	
	Amount	Percentage	Amount	Percentage
Net sales	14,165	100.0%	14,194	100.0%
Cost of sales	10,971	77.4%	11,007	77.5%
Gross profit	3,193	22.5%	3,187	22.4%
Selling, general and administrative expenses	1,682	11.8%	1,667	11.7%
Operating profit	1,510	10.6%	1,519	10.7%
Ordinary profit	1,516	10.7%	1,531	10.7%
Profit	1,113	7.8%	1,124	7.9%

Appendix (3) Consolidated Balance Sheets

(Million yen)

1H FY3/26

Item	Amount (Non-consolidated)	Amount (Consolidated)	Account item	Amount (Non-consolidated)	Amount (Consolidated)
Cash and deposits	6,929	7,020	Accounts payable-trade	1,148	1,148
Accounts receivable-trade and contract assets	5,451	5,457	Short-term interest-bearing debt	735	735
Inventories	68	68	Income taxes payable	473	476
Other current assets	158	158	Other current liabilities	2,215	2,224
Property, plant and equipment	3,234	3,234	Long-term interest-bearing debt	437	437
Intangible assets	291	291			
Investments and other assets	800	786	Total Net assets	11,924	11,995
Total assets	16,934	17,017	Total liabilities and net assets	16,934	17,017

Appendix (4) Consolidated Cash Flows

(Million yen)

■ Comparison with 1H FY3/25

Cash flows from operating activities

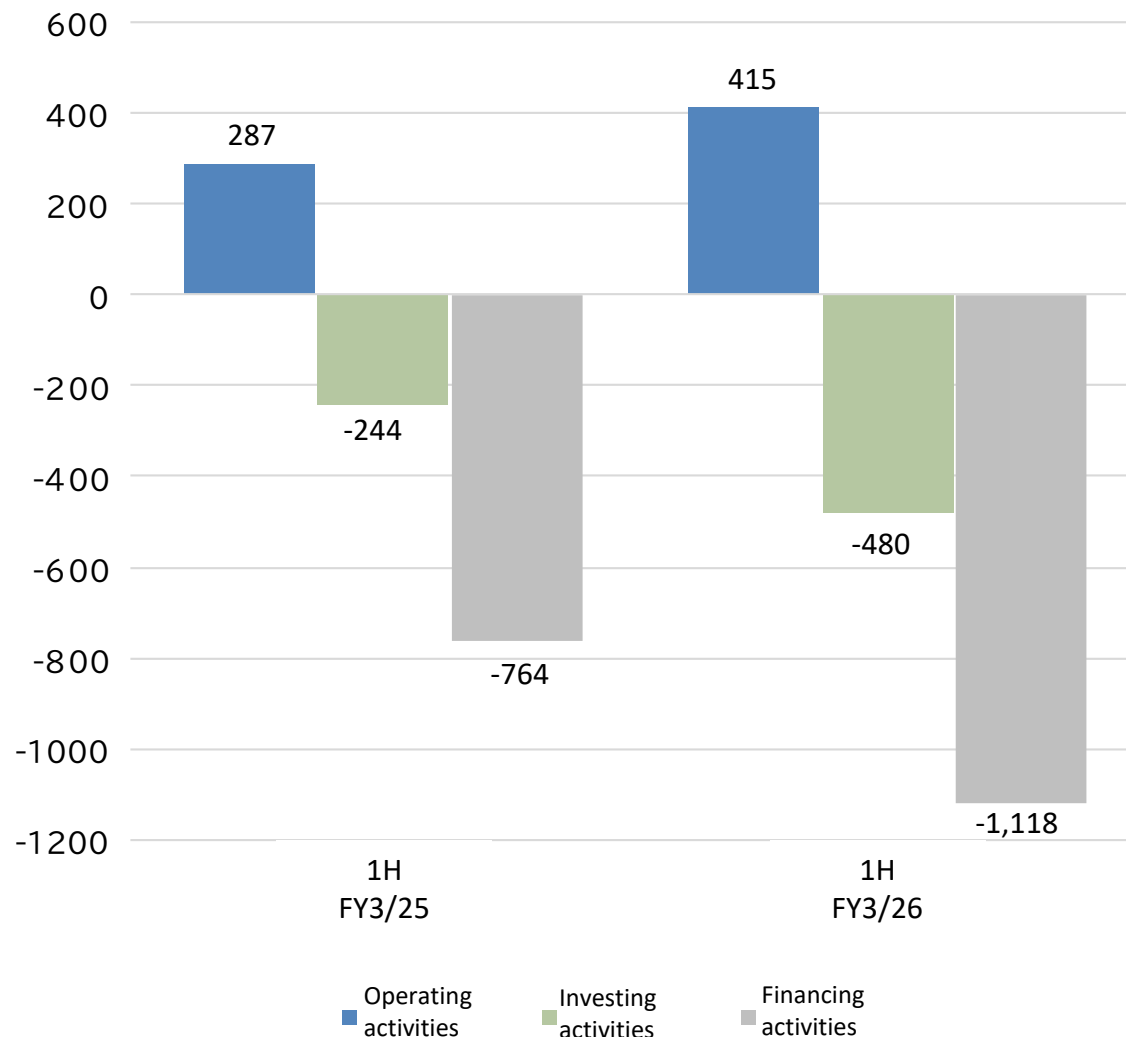
Net cash provided by operating activities increased by 128 million yen year on year, due to an increase in profit before income taxes.

Cash flows from investing activities

Net cash used in investing activities increased by 236 million yen year on year due to an increase in capital expenditures.

Cash flows from financing activities

Net cash used in financing activities increased by 353 million yen year on year due to dividend payments.



Appendix (5) 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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