

First Half of Fiscal Year Ending March 2027 (1H FY3/27) Results Briefing

SYSTEM RESEARCH CO., LTD.

(TSE Prime/NSE Premier: 3771)

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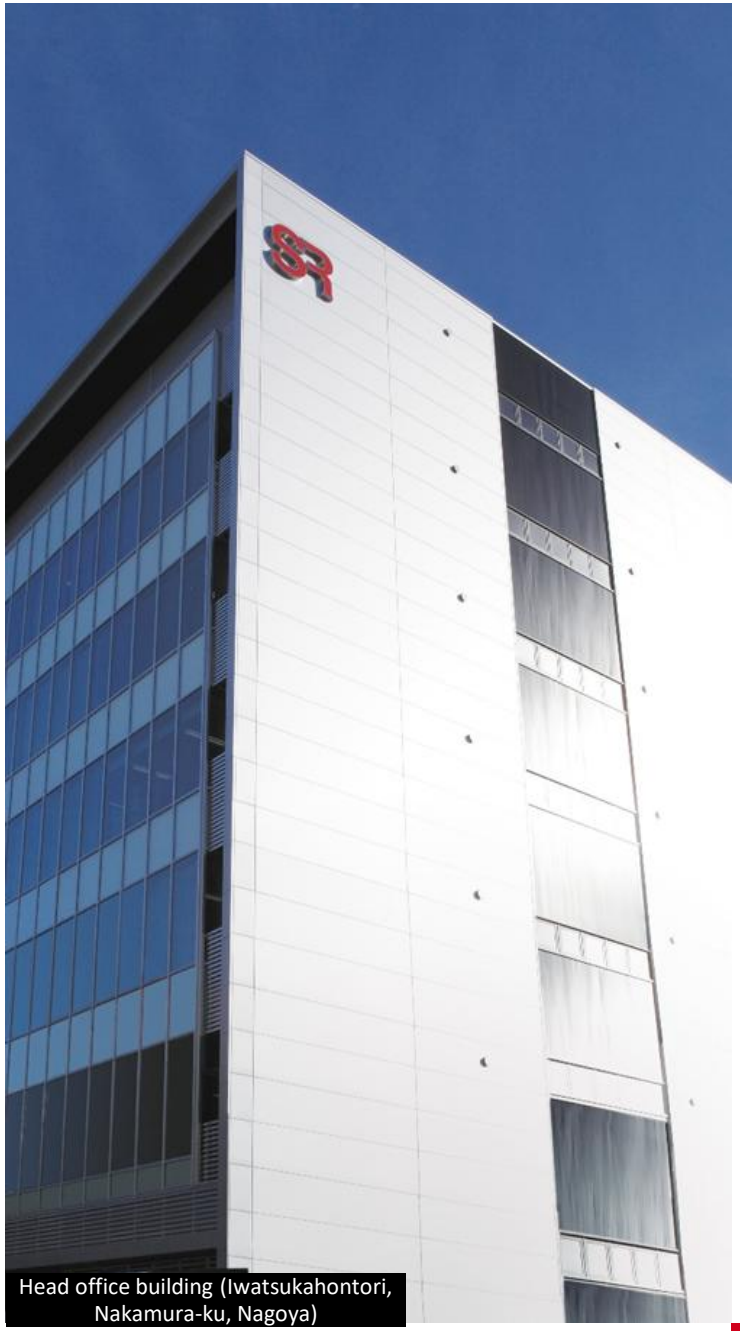
07. References



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

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01. Company Profile



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

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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)	1,705 Average age: 33.0 (As of September 30, 2026)
Consolidated subsidiaries	Sowel Co., Ltd.
Major shareholders	Toshiyuki Yamada (9.54%) The Master Trust Bank of Japan, Ltd. (5.63%) (As of September 30, 2026)

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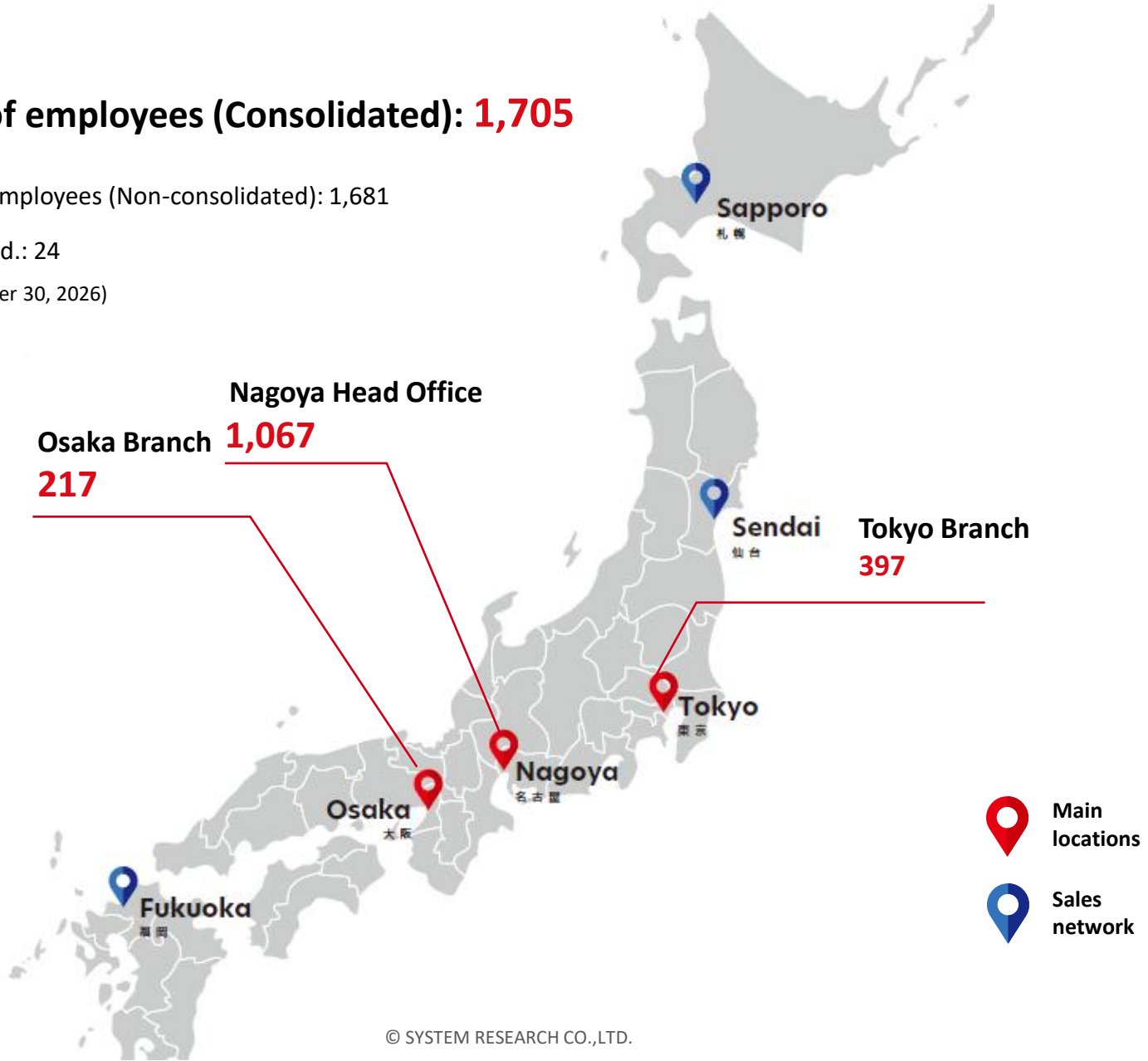
Branches and Sales Locations

Number of employees (Consolidated): 1,705

Number of employees (Non-consolidated): 1,681

Sowel Co., Ltd.: 24

(As of September 30, 2026)



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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 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 codec

SYSTEM CONNECT WELFARE

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



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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

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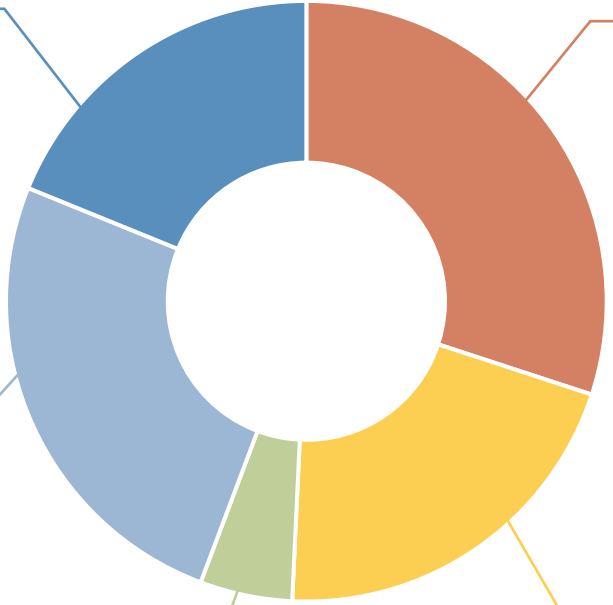
Major Customers

Computer Manufacturers

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

TOYOTA Group (Approx. 30% of total sales)

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



Major SIers

SCSK Corporation
ITOCHU Techno-Solutions Corporation
TISI Inc.
NS Solutions Corporation
NTT DATA TOKAI Corporation, etc.

Other End-users

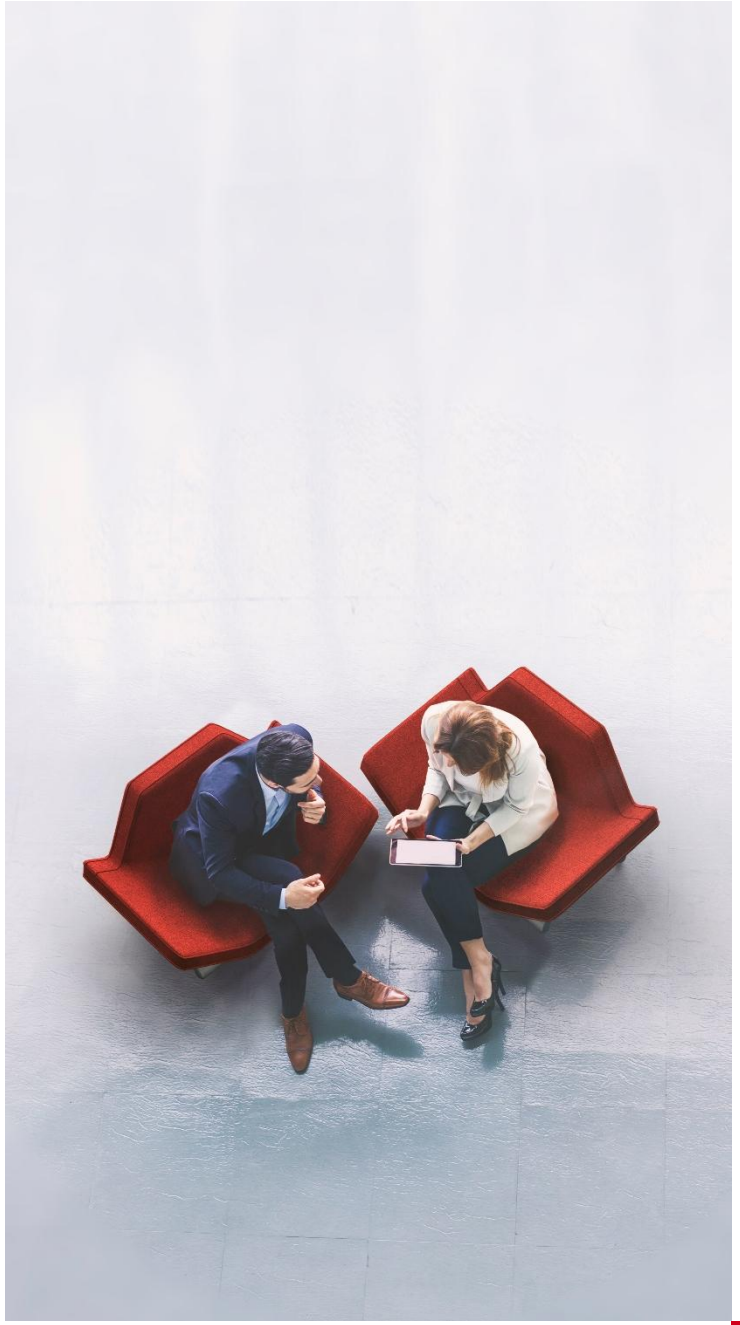
Yamato Transport Group
NIPPON EXPRESS CO., LTD.
Meiko Trans Co., Ltd.
Daido IT Solutions Co.,Ltd.
NGK Corporation
Daifuku Co., Ltd.
OKUMA Corporation
ASAHI INTECC CO., LTD
Mitsubishi Electric Group
KAGOME CO.,LTD.
TOPPAN Inc.
SoftBank Corp.
Pan Pacific International Holdings Corporation, etc.

Consulting

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

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02. First Half FY3/27 Results



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Summary of First Half of FY3/27 Results (Consolidated)

Net sales **increased by 6.8%** year on year, setting a new record.
The gross profit also reached a record high.
Earnings decreased from one year earlier due to higher SG&A expenses and loss on sale of non-current assets

(Million yen)

	Percentage of net sales (%) 1H FY3/26 (April 2025 – September 2025)	Percentage of net sales (%) 1H FY3/27 (April 2026 – September 2026)	YoY changes
Net sales	14,194	**15,169**	+6.8%
Gross profit	22.4% 3,187	**22.0%** **3,349**	+5.1%
Operating profit	10.7% 1,519	**9.6%** **1,464**	-3.6%
Ordinary profit	10.7% 1,531	**9.6%** **1,466**	-4.2%
Profit attributable to owners of parent	7.9% 1,121	**6.6%** **1,014**	-9.5%

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First Half of FY3/27 Sales by Category

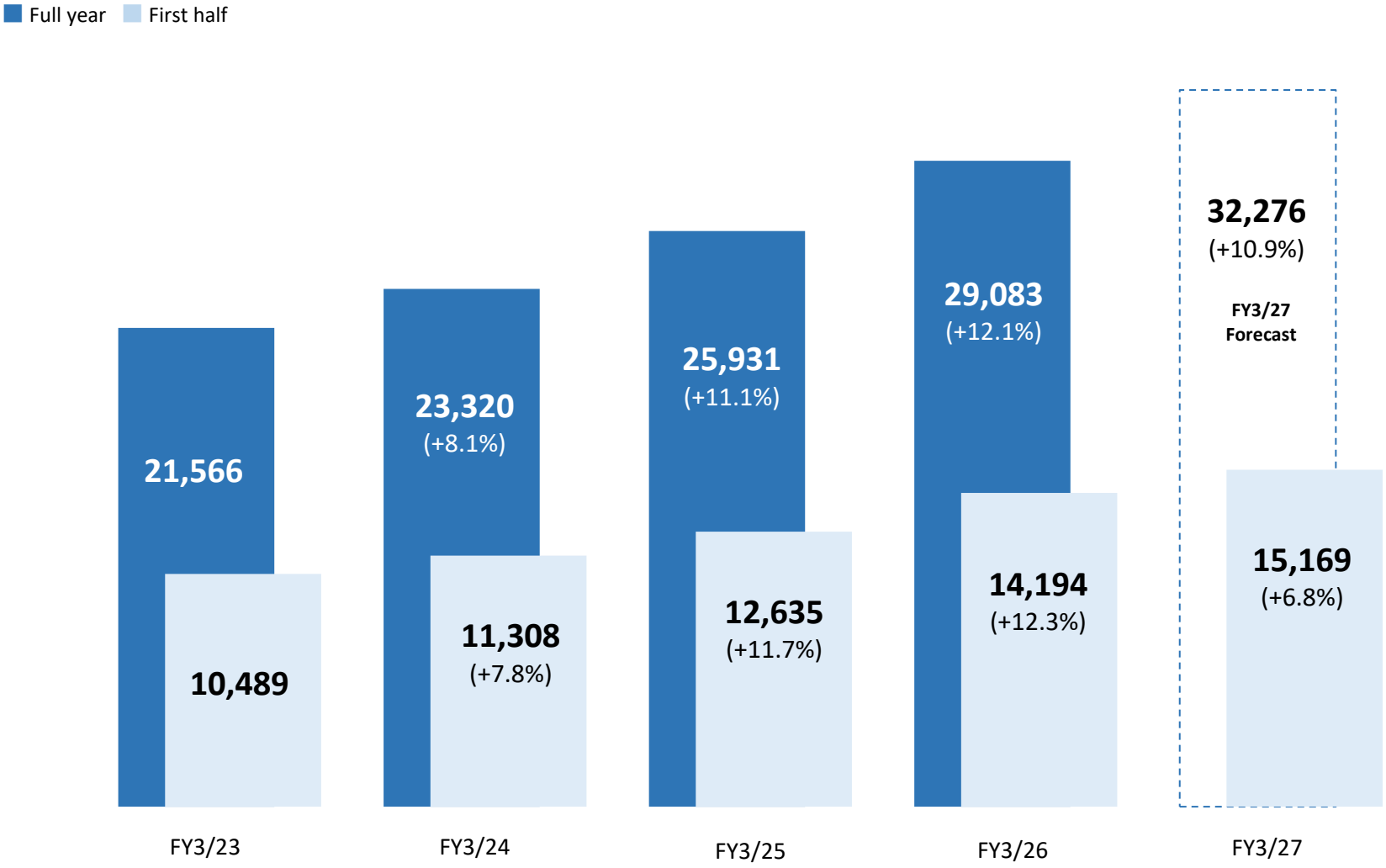
(Million yen)

Business description	Sales fields	1H FY3/26 Net sales	1H FY3/27 Net sales	Changes	
SI service	SI services	5,346	**5,129**	-4.1%	Decline in orders for entire projects
SI service	Software development	8,104	**9,160**	+13.0%	Received quasi-mandate contract orders for software development
Software products	Software products	189	**180**	-4.8%	Decreased sales of packaged software
Software products	Merchandise sales	405	**533**	+31.5%	Received orders for the sale of large-scale IT equipment
Software products	Web services, etc.	148	**164**	+10.7%	Increased amount of distribution
Total		14,194	**15,169**	+6.8%	

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

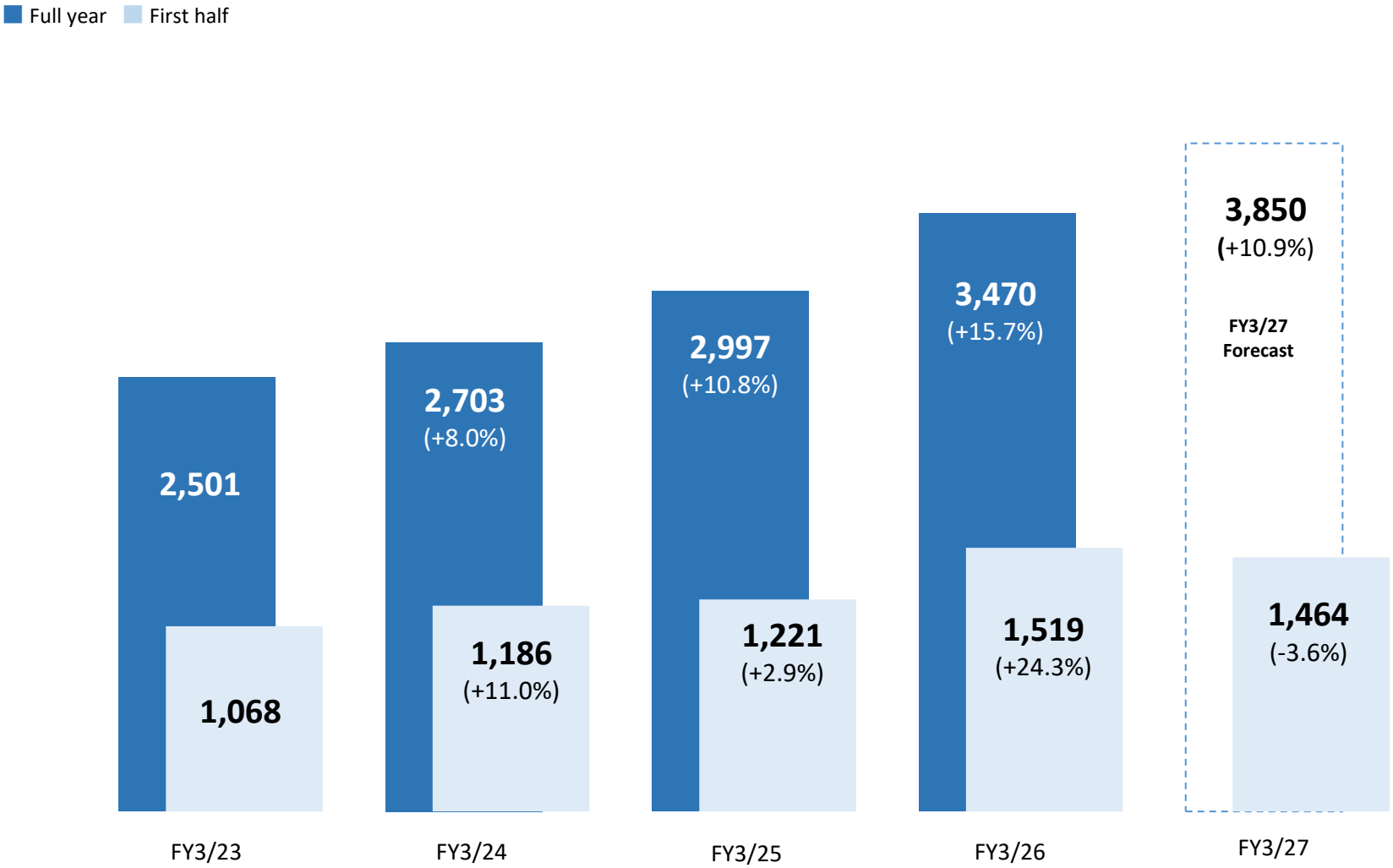
(Million yen)



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

(Million yen)

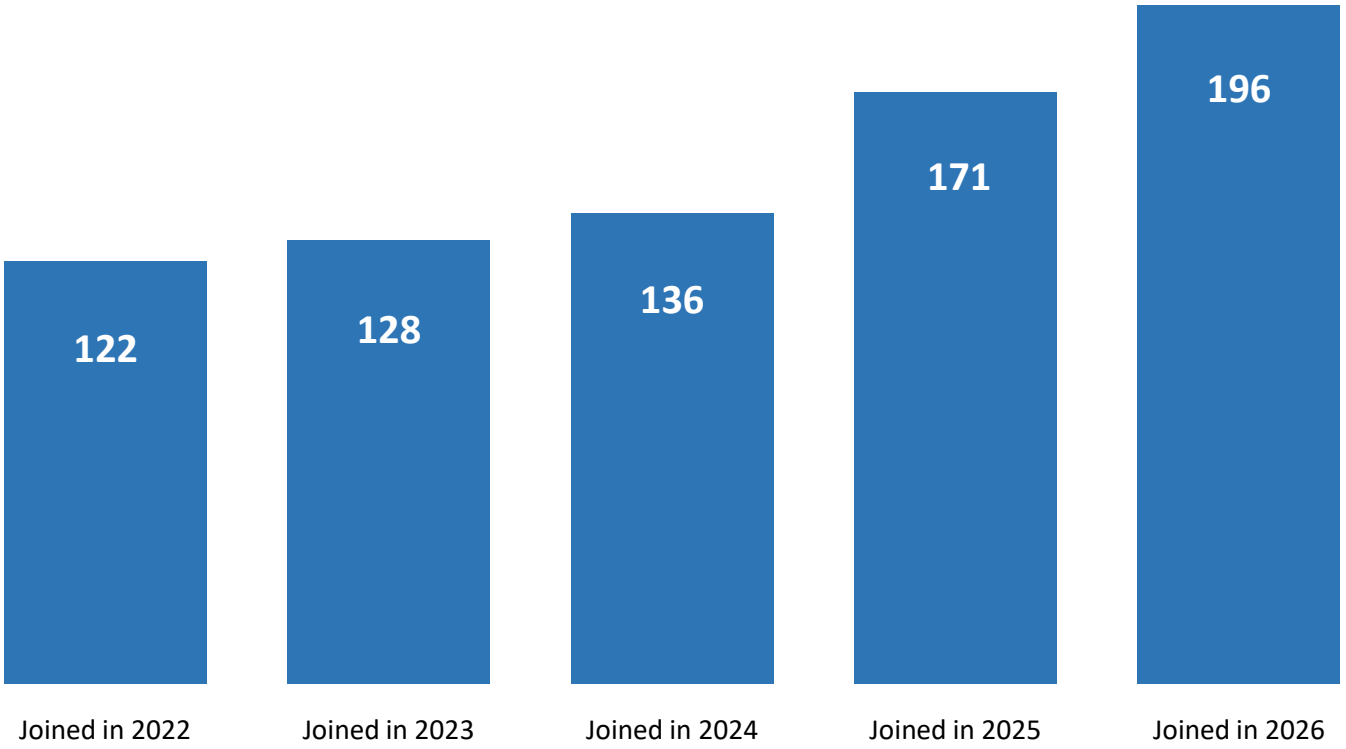


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Recruitment (Non-consolidated)

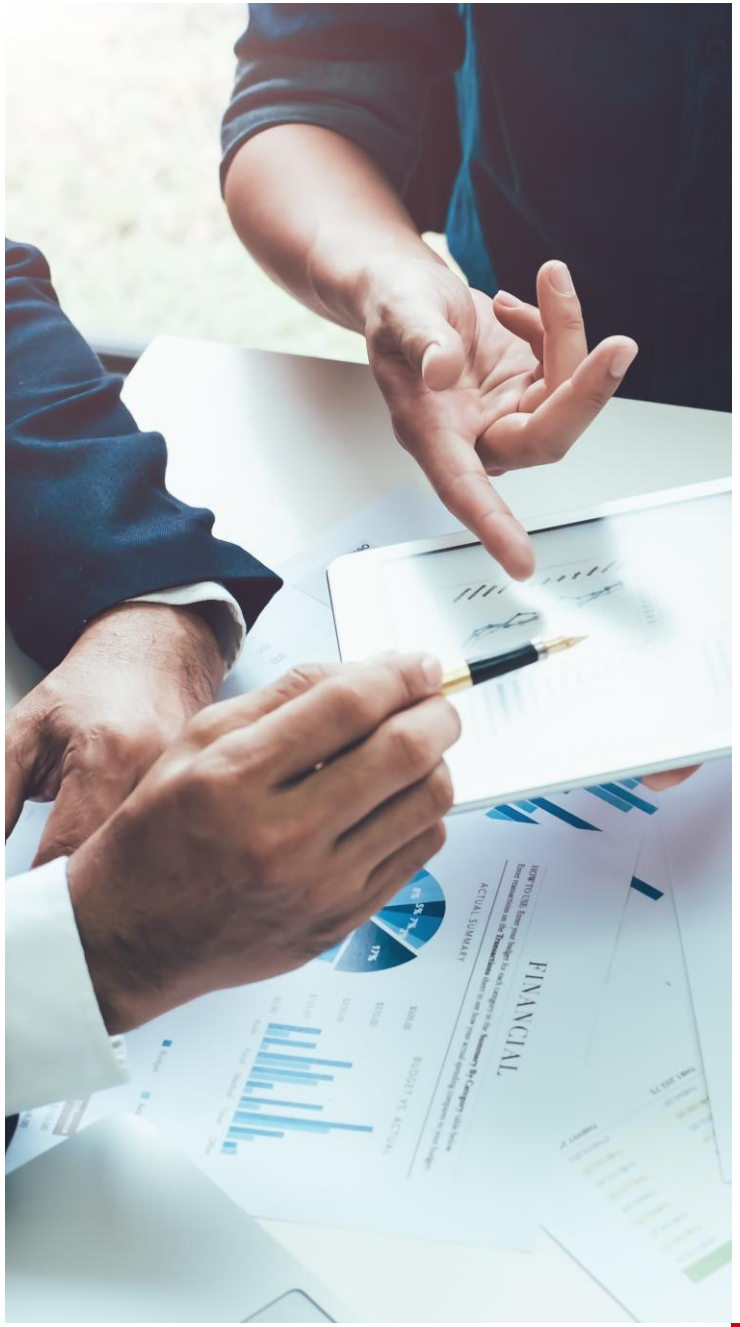
(Persons)

New graduate recruitment for the past five years



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03. FY3/27 Forecasts and Medium-Term Management Plan



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FY3/27 Results Forecast (Consolidated)

(Million yen)

[Full year]	FY3/26 Results	FY3/27 Forecast	YoY changes
Net sales	29,083	**32,276**	+10.9%
Operating profit	3,470	**3,850**	+10.9%
Ordinary profit	3,551	**3,907**	+10.0%
Profit attributable to owners of parent	2,610	**2,836**	+8.6%

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Cash Allocation

●Our stance on an appropriate level of cash and deposits

We have secured approximately ¥7.0 billion in terms of the appropriate level of capital for the purpose of maintaining the employment of engineers, who solidify the foundation of our business.

Cash and deposits as of March 31, 2026

¥8.3 billion

*Non-consolidated

Appropriate level of funds

Cash and deposits

About

¥7.0 billion

* An amount sufficient to maintain employment for a period of approximately one year in a situation where orders received may decrease by 50%.

- A cost structure centered on personnel expenses
- Continue with business activities even during recessions by securing the employment of engineers
- Prevent human resources drain and keep future growth opportunities open

About

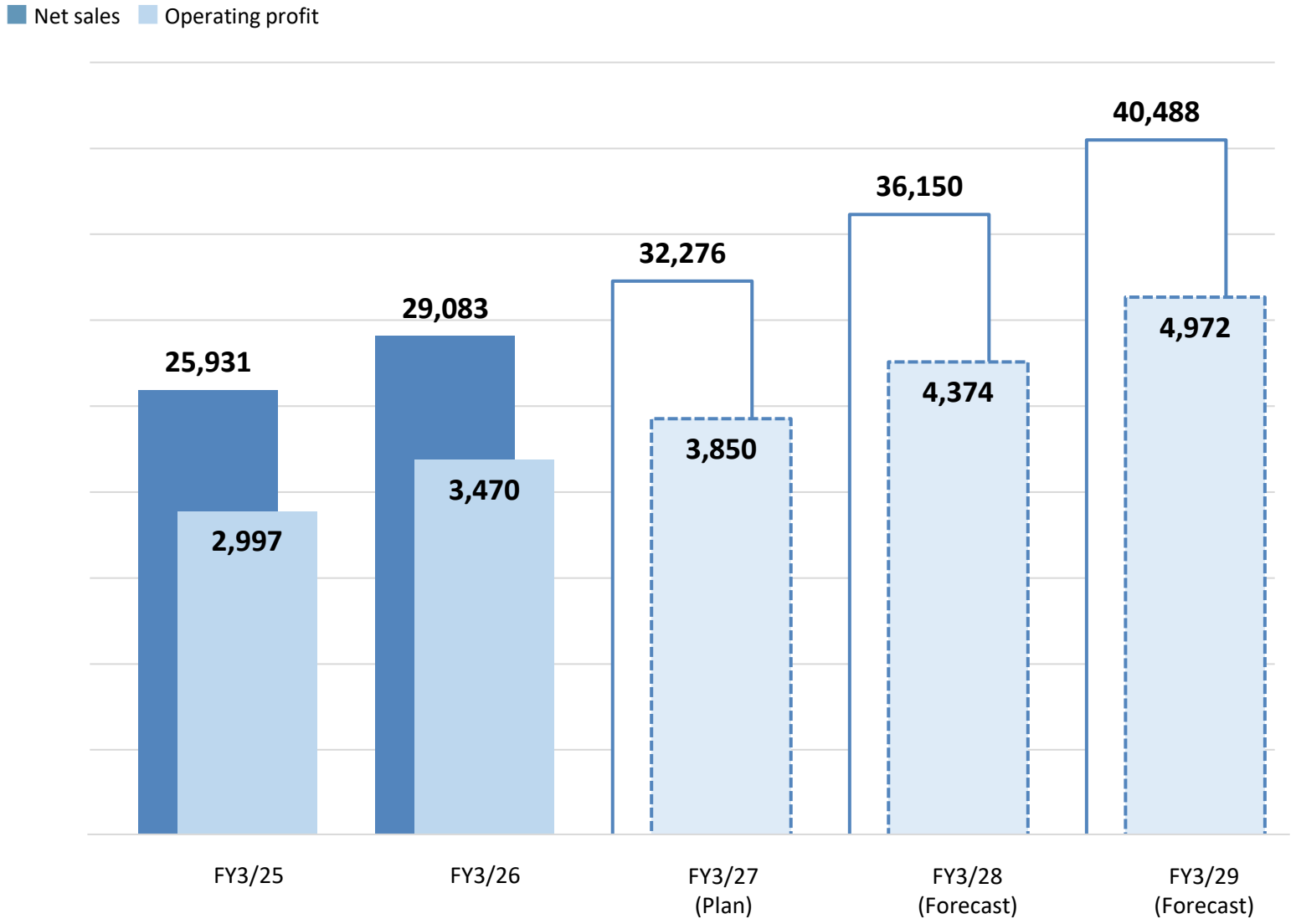
¥1.3 billion

- For growth investments, shareholder returns and reduction in borrowings

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

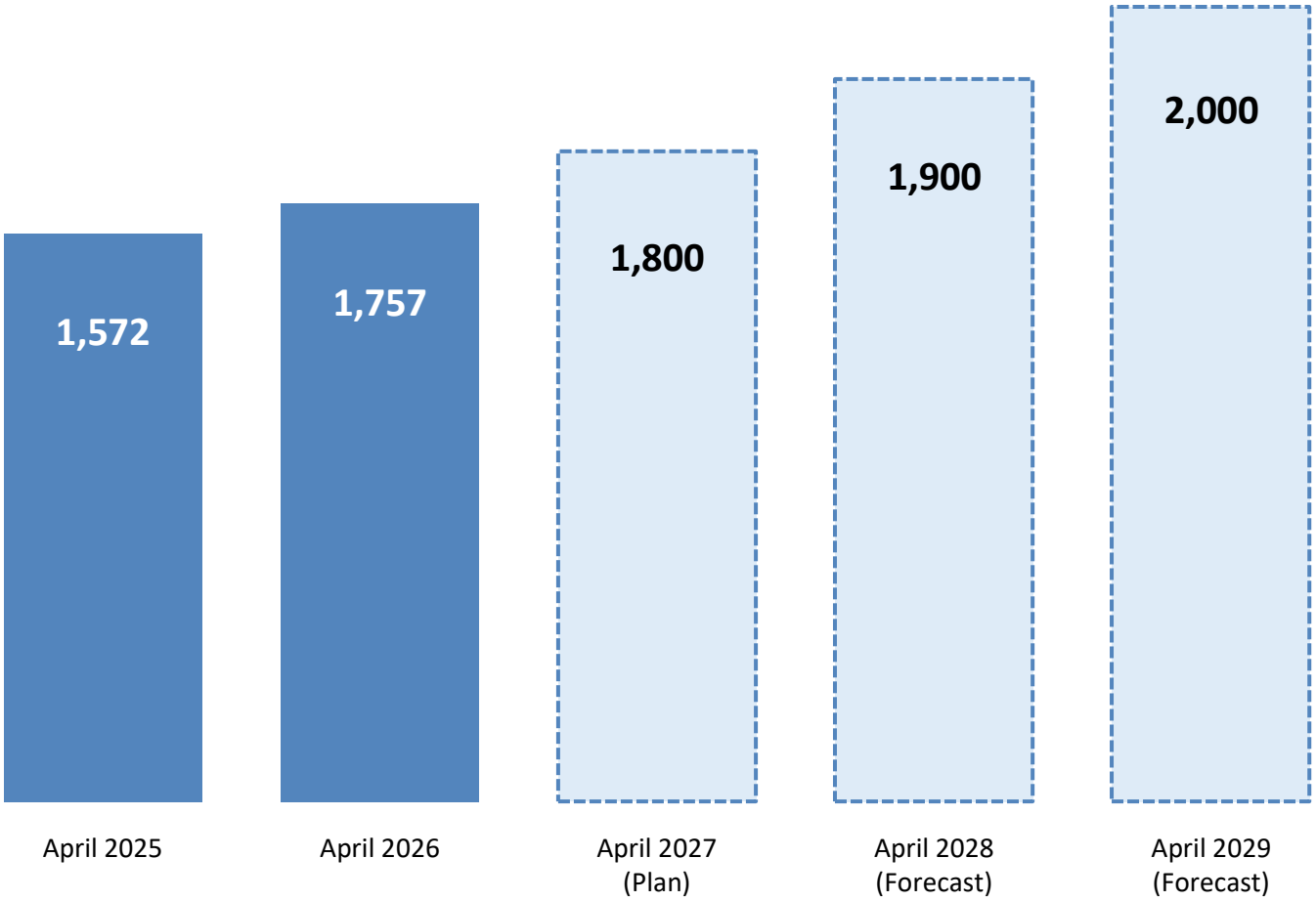
(Million yen)



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

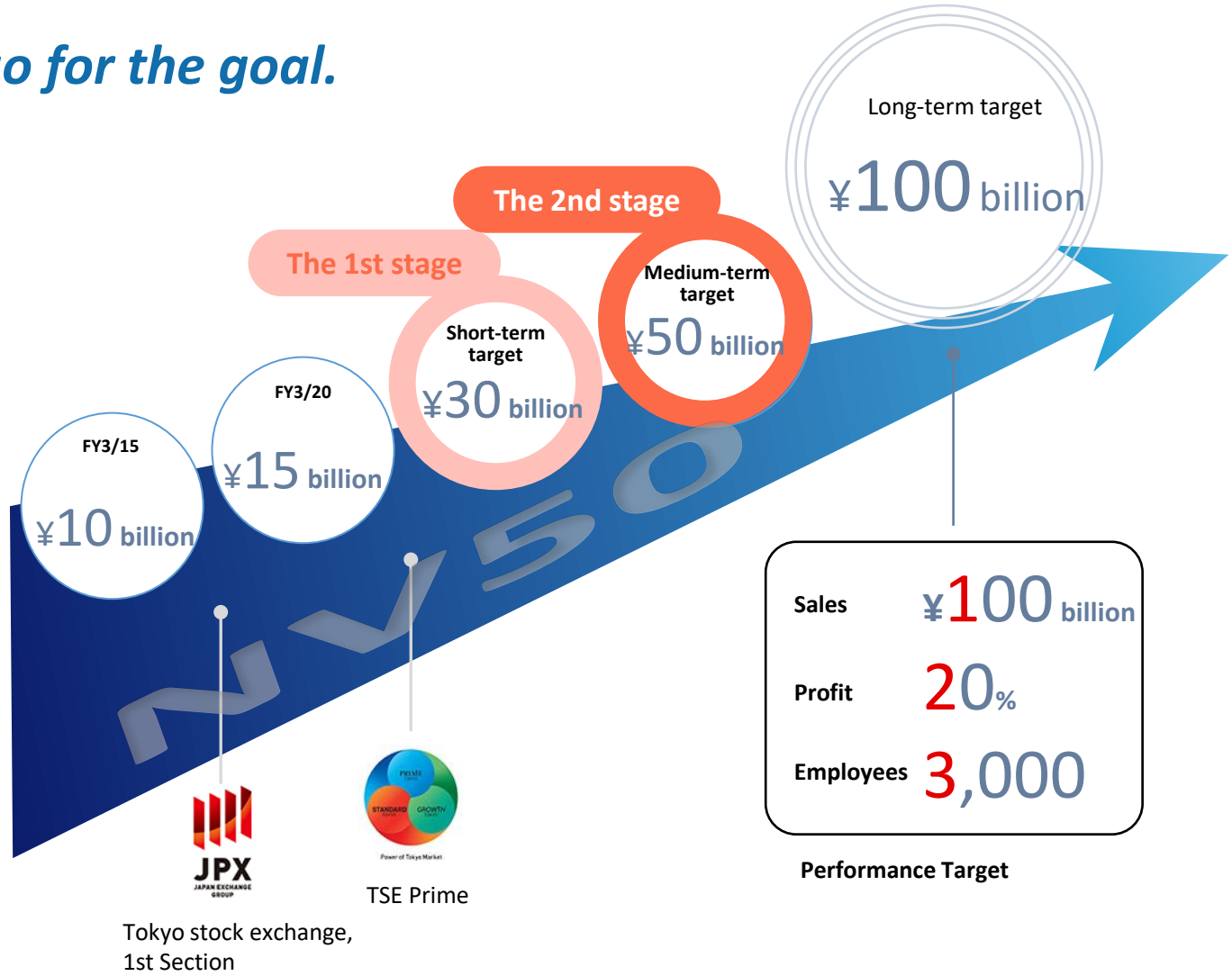
(Persons)



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Medium- and Long-term Targets

We'll go for the goal.



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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



01 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.

02 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.

03 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.

04 人的資本とバックオフィスの強化 — Strengthen human capital and back-office operations

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

05 従業員エンゲージメントの深化 — Deepen employee engagement

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.

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Next Vision 50th

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

Manufacturing | Logistics | Transportation | Distribution | Automobiles | Steel | Public infrastructures | Finance

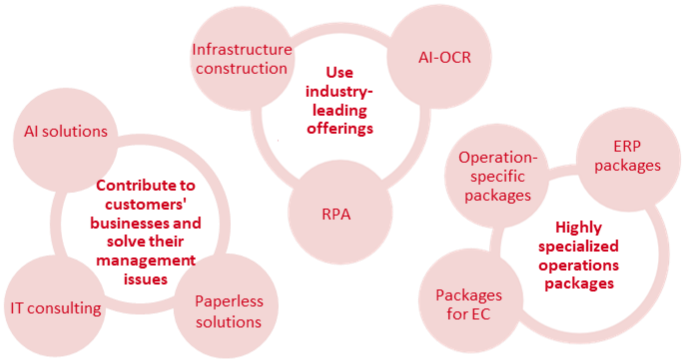
<Chubu market> Manufacturing, industries, and automobiles

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

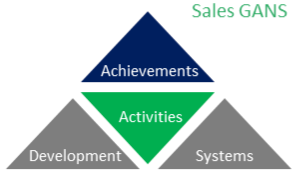
Increased sophistication of core businesses



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

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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

Education
Create training menu
1 Training of design thinking workshop leaders
2 Design thinking workshop
3 Lean Canvas
4 Commercialization training

New business creation tools
Create menu of new business creation tools
1 Market research
2 Business model consideration/verification
3 Information about other companies' alliances
4 Accompanied support for new businesses

Divisions
1 Tracking
2 Facilitation

Core businesses "Expertise and knowledge"

SR Contest (level improvement)

Review sessions for selecting domains

Work for soliciting ideas (level improvement)

- External contests
- Ideathon
- Hackathon
- Collaboration with other companies
- Collaboration between industry and academia

Expansion from existing products and services → Divisions

Creation of completely new products and services → Specialized organization

Council meeting (level improvement)

Commercialization budget system

Planning and implementation

Divisions

Creation of new businesses
- Selection of themes, R&D, market research, etc.

Development of new business creation talent
- Design thinking workshop leaders
- Those who received design thinking workshop
- Those who received Lean Canvas
- Those who received training on technologies specific to each division

Next-generation core businesses

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

1 E-commerce business: easy my shop, 創作品モール あるる
2 Product Business: Simplex, CTIコネクテル, WArm+, スマカル給与
3 AI Business: デジクエリ, MODEWO
4
5
…
10 New business

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03 Technological capabilities to create new value

Design engineering capabilities with core skills

Core skills	Outstanding PM skills	Advanced IT skills	Deep operational knowledge

Initiatives

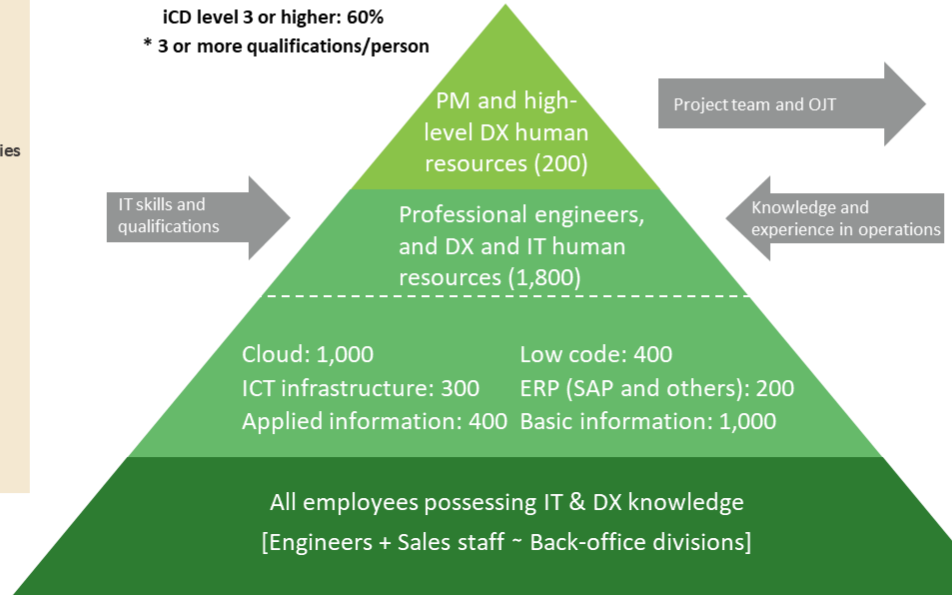
- SE convention
- Create project books
- PM development curriculum
- PRiMER*
- Formulate technological strategies
- Acquire qualifications (from the national government/vendors)
- Training (internal and external)
- Learning portal site
- AI Use Promotion Office



*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

Consulting
DX projects
Modernization
Rebuilding
Replacement of aging equipment



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04 Strengthen human capital and back-office operations

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

Point! 1

Enhance human capital

■ **Improvement in the workplace environment**

- Introduce measures for comfortable work environments
  *Example of achievements: Casual everyday
- Construction of a new office
- Improvement of a remote work environment

■ **Branding**

- Internal branding
- External branding
- Integrated reports and human capital disclosures

■ **Enhancement of recruitment**

- Strengthen the recruitment of new employees (hire 10% of the total number of employees)
- Strengthen the recruitment of mid-career employees (fulfill 100% of vacancies)
- Hold down turnover

Aggressive administrative divisions

Aggressive defense

Take the initiative in giving directions, shifting from a passive stance to an aggressive one

Data-driven decision making

Support objective, efficient, prompt decision-making

Digital shift and AI agents

Improve efficiency and eliminate dependence on individual skills through digitalization and the use of AI

Point! 2

Strengthen back-office operations

■ **Internal DX and operational efficiency improvement**

- Go paperless, in principle
- Electronic trading with main customers
- Improve efficiency through automation (use of RPA)
- Use all internal data for BI
- Introduce more solutions to head office operations (including legal affairs and recruitment)

■ **Strengthening of security**

- Improve the level of measures against ransomware attacks with zero trust security
- ISMS certification
- Use AI for monitoring and abnormality detection

■ **Enhancement of governance**

- Establish a new division managing risks of the entire company
- Establish a new customer service office representing the entire company
- Personnel affairs, procurement, and legal affairs led by the head office administrative divisions

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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

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IT Industry Business Climate and Outlook

IT industry current conditions

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.

Many cyberattacks and information leaks

- The DX and cloud usage are expanding the breadth of cyberattacks. In addition, the malicious use of AI and other activities are making these attacks much more sophisticated and difficult to prevent.
- Cybersecurity demand and investments by companies are increasing. Furthermore, the system integrators that develop and operate security measures require more advanced security systems for their own protection.

- Evolving from a system integrator engaged in contracted development into one which can provide services with higher added value
- A more advanced security platform that is more trusted by customers
- Responding to the industry reorganization through M&A and management integration

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Current Status of Generative AI and Its Utilization

Current status of generative AI

Areas	Applicable operations
Operations where generative AI easily produces the desired results	Sorting out and summarizing information, language processing, document generation, cross-searching of multiple sources, proceduralizing, iterative processing, etc.
Operations where generative AI has difficulties in producing desired results at present	Response to institutional and legal revisions, operations that require a high level of expertise, approvals with a great deal of responsibility, etc.

* Based on our understanding

Status of the Company

Because a high level of expertise and arrangement skills are required, the development of mission-critical systems, which accounts for 80% of sales, falls into an area where generative AI has difficulties in producing desired results.

Status of generative AI utilization

Consulting	Design	Development	Testing/ Implementation	Operation/ maintenance
When AI is used in areas that require operational knowledge or legal judgment, it is currently being used in a limited fashion.	The use of generative AI produces the maximum effect because it contributes to improving productivity and profitability through the automatic creation of source codes, replacement of languages, etc.		Although generative AI is utilizable for the generation of test cases and provision of automatic response to inquiries, among other operations, results verification requires human review and a lot of man-hours.	

Our initiatives

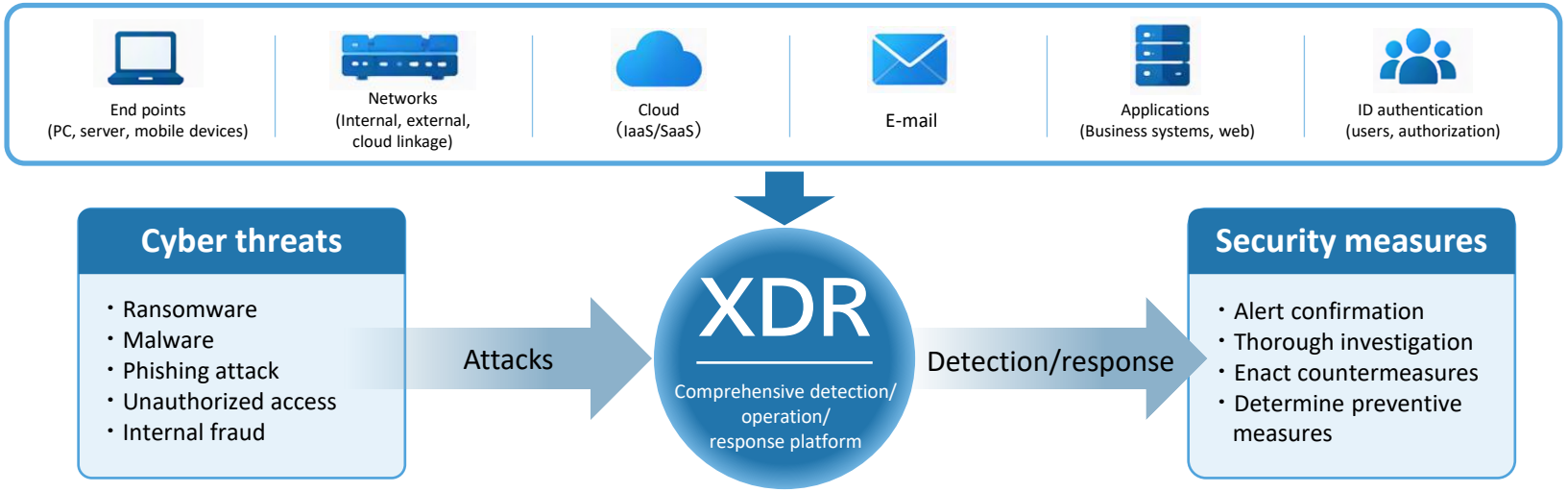
- **Expansion of orders in upstream phases (consulting and design), where AI impact is limited.**
- **Shorter lead times and reduced man-hours through AI utilization in development processes.**
- **Establishment of the AX Promotion Office (April 2026).**
  This office is established to promote business and operational innovations centered on three categories: business process innovation, system uses and software innovation, and the use of BPR+AX to create new business production services

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Our Status, Awareness, and Initiatives Regarding Cyber Risk

Our status	In our mission-critical system development, the SI service business accounts for 80%. We implement high-level security measures for confidential information and customer data.
Our awareness	We recognize that building stronger measures against increasingly sophisticated and malicious attacks is an important management issue.
initiatives	Started using the XDR next-generation security system in April 2026

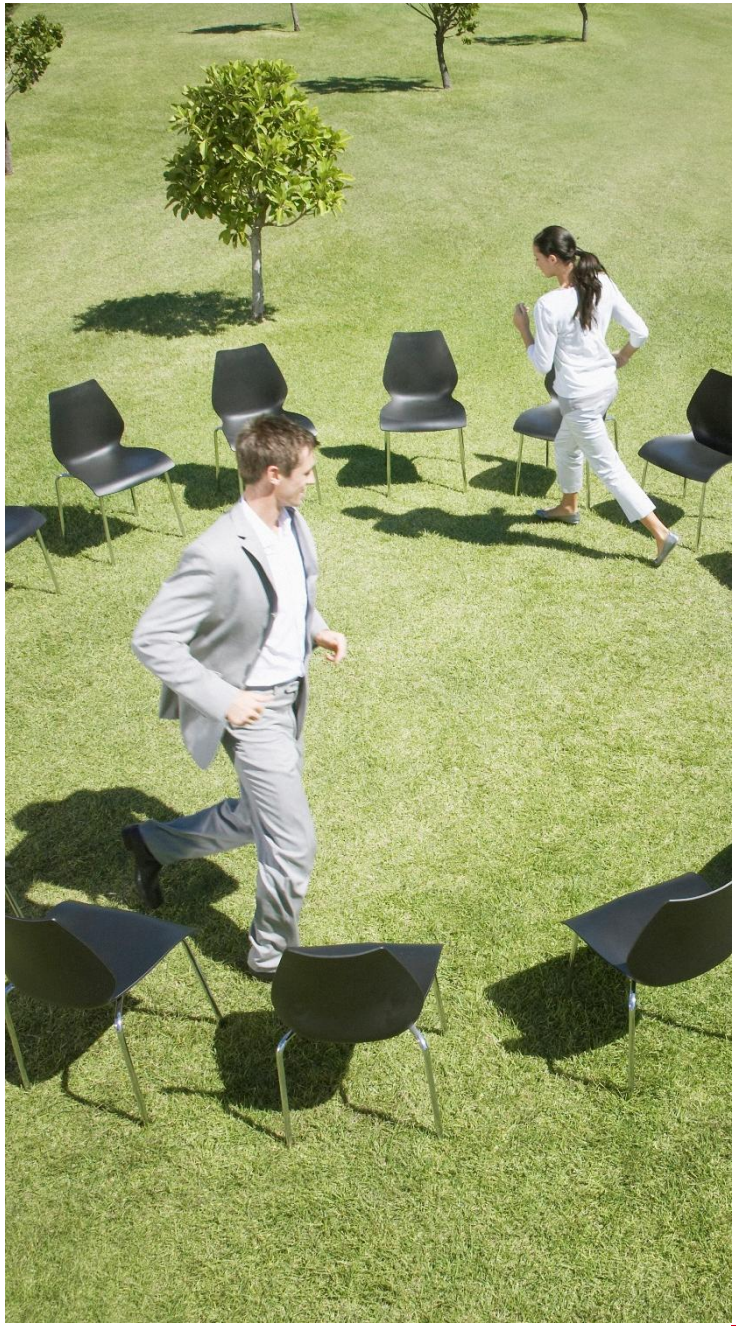
Integrated analysis of data obtained from many security layers, including end points, networks, the cloud, mail and other sources, to detect and investigate cyber threats and quickly implement countermeasures. Implemented measures within the internal environment to strengthen the monitoring of development environments and environments handling confidential information and customer data.



Consistent corporate value growth backed by business risk reduction, stable business operations and a reputation for reliability

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04. Sustainability



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Sustainability Initiatives

Encourage diversity equity and inclusion

Relationship with the SDGs (focus goals)

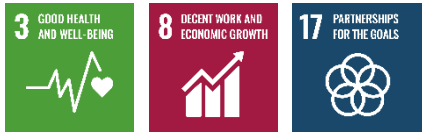


Main Initiatives

- 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
- 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)

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Results of Initiatives in Numbers (as of March 31, 2026)

Percentage of female employees in management positions

12.3%

Target 7.0%

Percentage of female employees in continuous employment

99.9%

Target 80.0%

Percentage of employees taking childcare leave

Female	Male
100%	70%

Percentage of male employees taking childcare leave (50.9%)

(Research by the Ministry of Health, Labour and Welfare in 2025)

Average monthly overtime

14.24 hours

Target 18 hours

Ratio of employees who took paid leave

81.7%

Turnover rate

7.4%

Industry average 10.2%

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

*Excludes people reaching mandatory retirement age; includes turnover involving people who are not official full-time employees

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Recognition and Certification (External Evaluation)

Received DX Certified Business Operator certification

Received certification of Health & Productivity Management Outstanding Organizations 2026 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

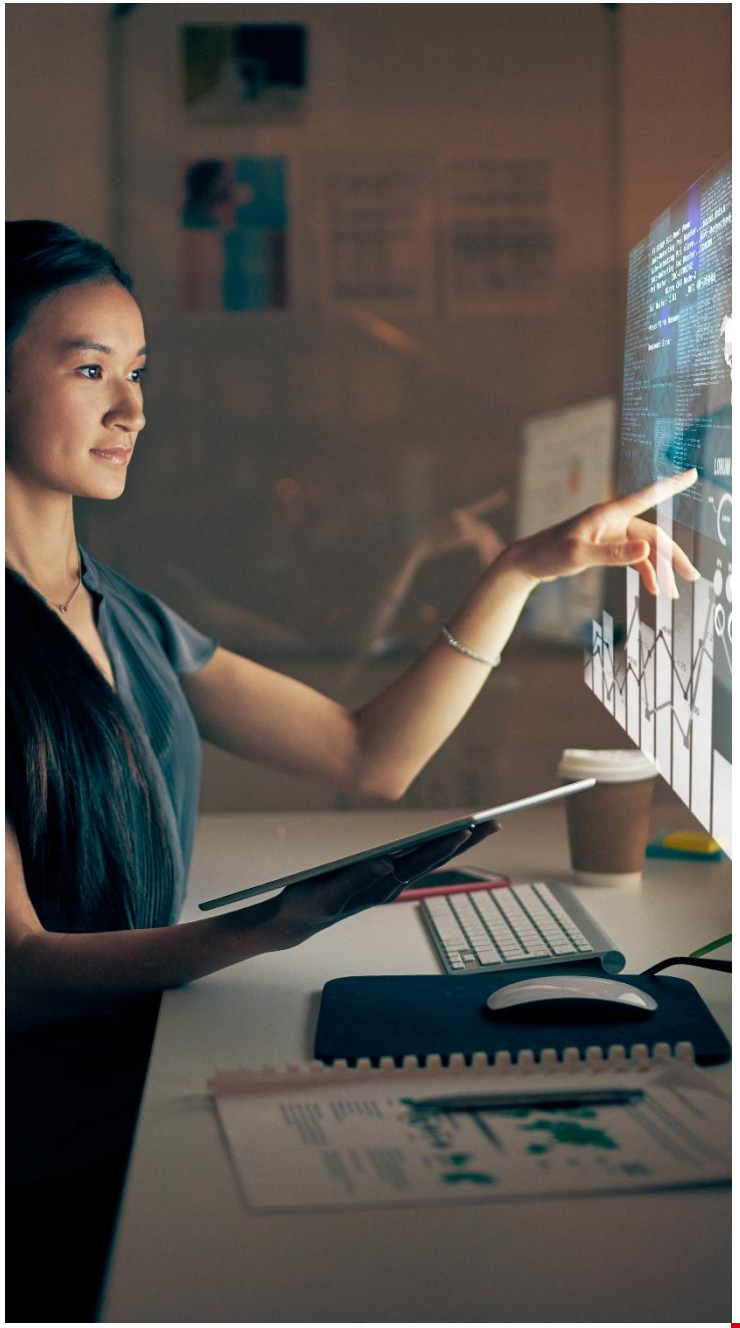
Obtained Information Security Management System

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

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05. Solutions



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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.



















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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

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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

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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

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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.

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E-commerce Support

Online store creation and operation web service

Easy My Shop

Easy My Shop
QR code

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

easy my shop
イージーマイショップ



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

Creator's Mall ALULU

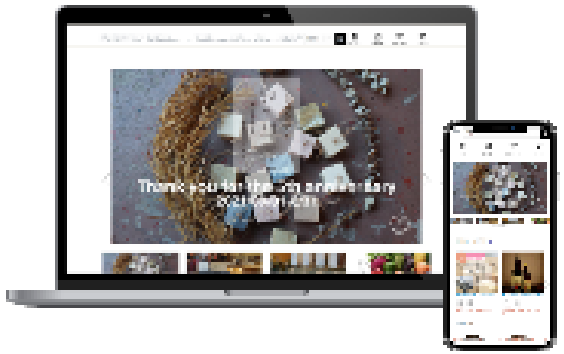
Creator's Mall ALULU QR Code

Approx. 270,000 works
created by creators *As of April 2026

Acts as a bridge between creators and consumers

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

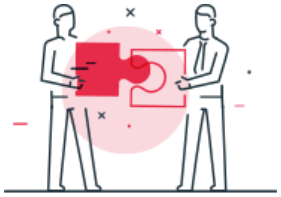
Encounter wonderful products



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iIii 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.

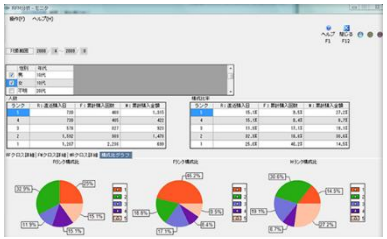


Compatible with the invoice system and the Electronic Books Maintenance Act

Mail order / shopping

Sales management and CRM for mail order business

Simplex



CTI & call center

Add-on CTI

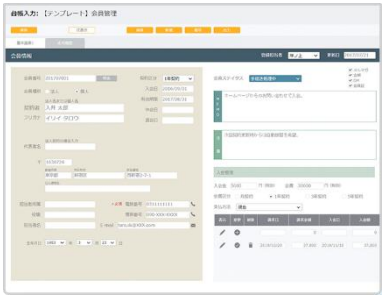
CTIコネクテル



CRM

Cloud-based CRM

ウォームプラス WArm+



BIG series

Ilii 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

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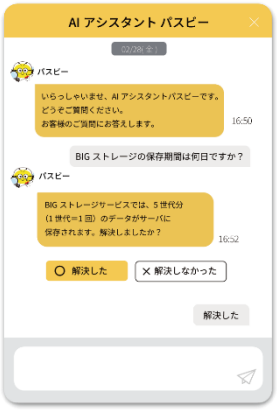
AI Solution

AI chatbot service

AIアシスタント
パスビー

From research to dialogue

AI as a window to knowledge



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.

Advanced document search support service

デジクエリ

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

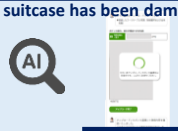
Examples of AI-Powered Development Support

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.

BANK

Customer satisfaction improvement

Number of days until receiving insurance claims

Minimum **3 days** → **On the same day** in the shortest time

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

IBM Japan, Ltd.	System Research	JI Accident & Fire Insurance Co., Ltd.
Provision of the environment for IBM Maximo Visual Inspection	An AI professional team provides technical support	In-house construction of an online insurance claim system

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Other Solutions

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

楽々Framework3

BizBrowser®

CRM

salesforce PARTNER

kintone

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06. Shareholder Return



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Shareholder Return

The basic policy for the distribution of earnings to shareholders is to pay a stable dividend consistently based on earnings, the business outlook, the dividend payout ratio and other factors.

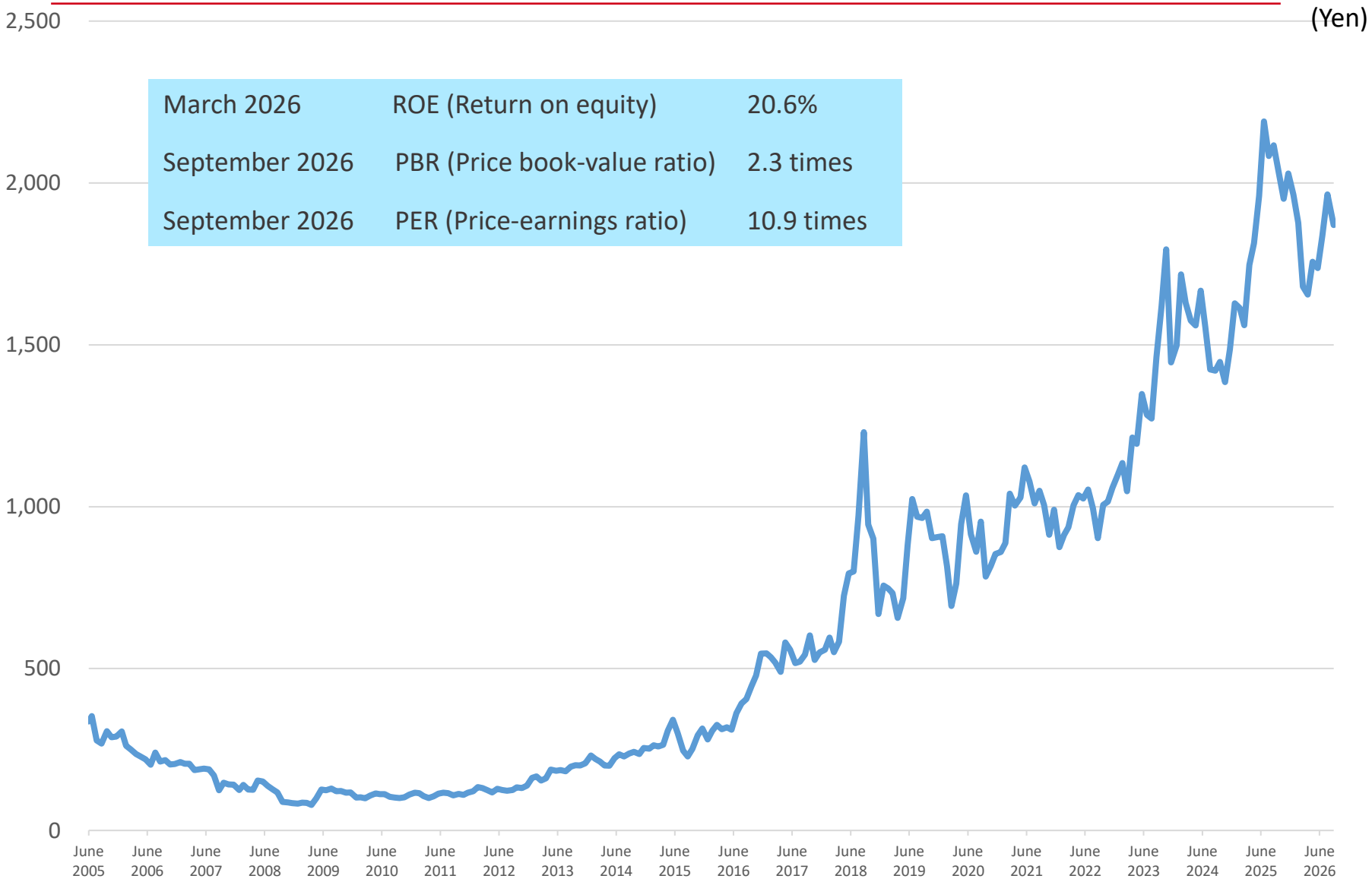
To increase distributions, there is a 50% target for the dividend payout ratio and the business plan for the three-year period ending in March 2029 includes the goal of maintaining or raising the dividend.

	FY3/24	FY3/25	FY3/26	FY3/27 Forecast
EPS (Earnings per share)	117.81 yen	132.29 yen	157.49 yen	**170.82 yen**
ROE (Return on equity)	20.0%	19.6%	20.6%	**19.8%**
Dividend per share	40.0 yen	60.0 yen	70.0 yen	**80 yen**

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Stock Chart

March 2026	ROE (Return on equity)	20.6%
September 2026	PBR (Price book-value ratio)	2.3 times
September 2026	PER (Price-earnings ratio)	10.9 times



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.

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2025 MINKABU Award Won *Two Consecutive Years

One of 35 companies selected from the 1,599 companies listed on the Prime Market of the Tokyo Stock Exchange (as of the end of December 2025). 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 from over 3,800 listed companies, regardless of the scale of the business or industry.
https://minkabu.jp/awards/2025

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07. References

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

1981 Established

1987 Established Osaka Branch

1989 Established Tokyo Branch

2005 Listed on JASDAQ

2006 Made ILII Corporation a consolidated subsidiary

2012 Established Sowel Co., Ltd.

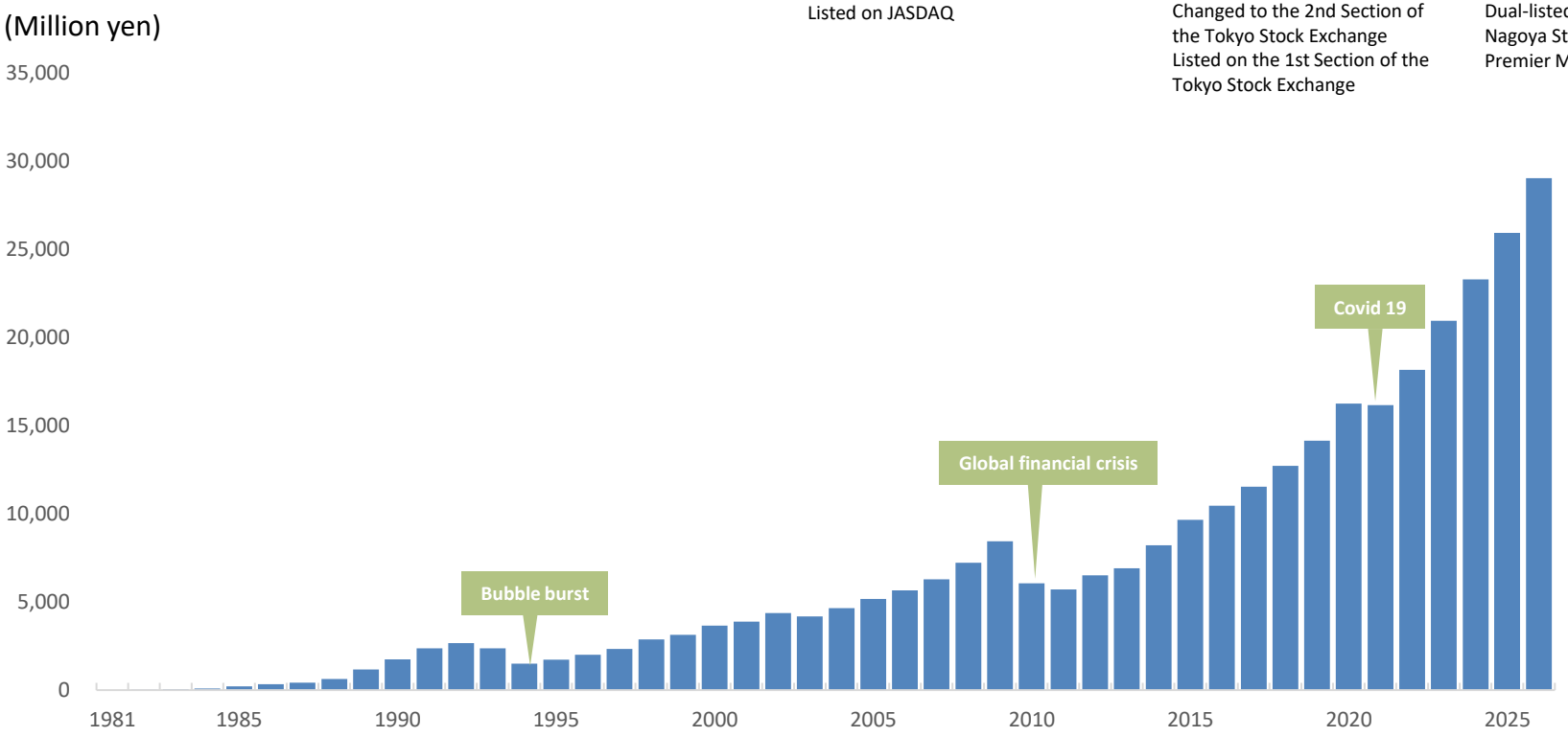
2014 Merger with ILII Corporation

2016 Changed to the 2nd Section of the Tokyo Stock Exchange
Listed on the 1st Section of the Tokyo Stock Exchange

2022 Made General Software, Inc. a consolidated subsidiary

2023 Merger with General Software, Inc.

2025 Dual-listed on the Nagoya Stock Exchange Premier Market



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Appendix (2) Consolidated Statements of Income

(Million yen)

1H FY3/27

Item	Non-consolidated		Consolidated	
	Amount	Percentage	Amount	Percentage
Net sales	15,138	100.0%	15,169	100.0%
Cost of sales	11,782	77.8%	11,819	77.9%
Gross profit	3,356	22.1%	3,349	22.0%
Selling, general and administrative expenses	1,900	12.5%	1,885	12.4%
Operating profit	1,456	9.6%	1,464	9.6%
Ordinary profit	1,453	9.6%	1,466	9.6%
Profit	1,007	6.6%	1,016	6.6%

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Appendix (3) Consolidated Balance Sheets

(Million yen)

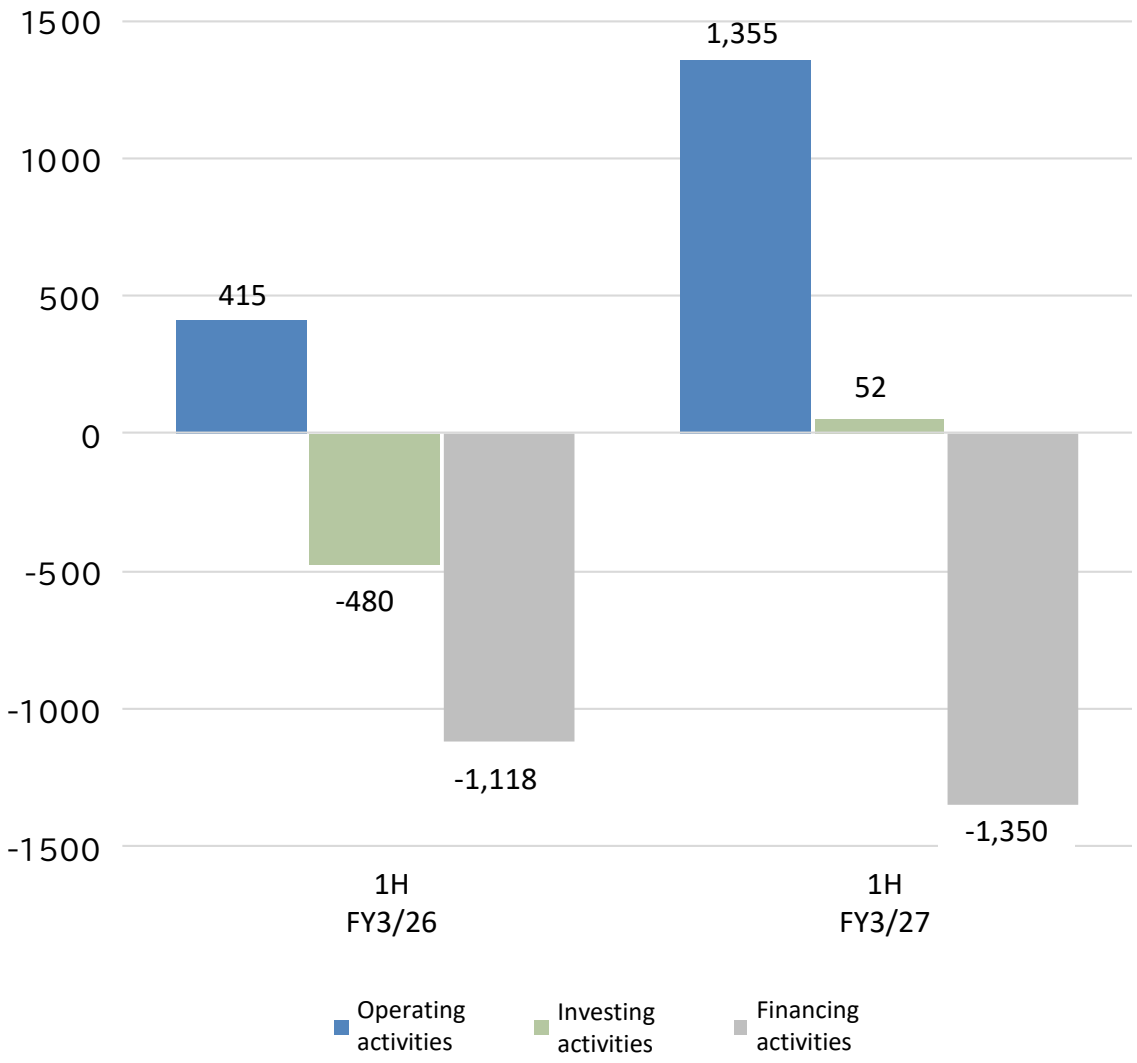
As of September 30, 2026

Item	Amount (Non-consolidated)	Amount (Consolidated)	Account item	Amount (Non-consolidated)	Amount (Consolidated)
Cash and deposits	8,384	8,487	Accounts payable-trade	1,241	1,241
Accounts receivable-trade and contract assets	5,330	5,336	Short-term interest-bearing debt	505	505
Inventories	49	49	Income taxes payable	459	463
Other current assets	184	185	Other current liabilities	2,603	2,606
Property, plant and equipment	3,283	3,283	Long-term interest-bearing debt	261	261
Intangible assets	248	242			
Investments and other assets	895	880	Total net assets	13,304	13,386
Total assets	18,376	18,465	Total liabilities and net assets	18,376	18,465

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Appendix (4) Consolidated Cash Flows

(Million yen)



■Comparison with 1H FY3/26

Cash flows from operating activities

Net cash provided by operating activities increased by 939 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 decreased by 533 million yen year on year due to sale of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities increased by 232 million yen year on year due to dividend payments.

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Appendix (5) Medium-Term (3-year) Management Plan (Consolidated)

(Million yen)

Item	FY3/27 (plan)	FY3/28 (forecast)	FY3/29 (forecast)
Net sales	32,276	36,150	40,488
Operating profit	3,850	4,374	4,972
Ordinary profit	3,907	4,430	5,029
Profit	2,836	3,022	3,432

Operation category	FY3/27 (plan)	FY3/28 (forecast)	FY3/29 (forecast)
SI services	12,361	13,946	15,654
Software development	18,400	20,581	22,942
Software products	420	418	423
Merchandise sales	673	676	826
Web services, etc.	420	528	641
Total	32,276	36,150	40,488

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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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