



# Technology X Open Innovation

**Supplementary Material for Q2 FY09/2024**

**43rd Fiscal Year**

**Systemsoft Corporation**

**TYO: 7527**

**May 10, 2024**

- **FY09/2024 Second Quarter Financial Results Summary**
- **FY09/2024 Second Quarter Financial Results Reporting by Segment**
- **FY09/2024 Earnings Forecast**

FY09/2024 Second Quarter Financial Results

# Financial Results Summary

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## Summary of consolidated financial results for Q2 FY09/2024

	Q2 FY09/2023		Q2 FY09/2024		YoY	
	(Millions of yen)	Amount	%	Amount		%
Net sales		1,629	100%	1,242	100%	76.2%
Gross profit		356	21.9%	295	23.8%	82.9%
SG&A expenses		413	25.4%	382	30.8%	92.5%
Operating income		-57	—	-86	—	—
Net income attributable to shareholders of the parent company		-127	—	-100	—	—

# Summary of Consolidated Financial Results for Q2 2024

(Millions of yen)

## Net sales

1,242 million yen

YoY 76.2%

## Operating income

-86 million yen

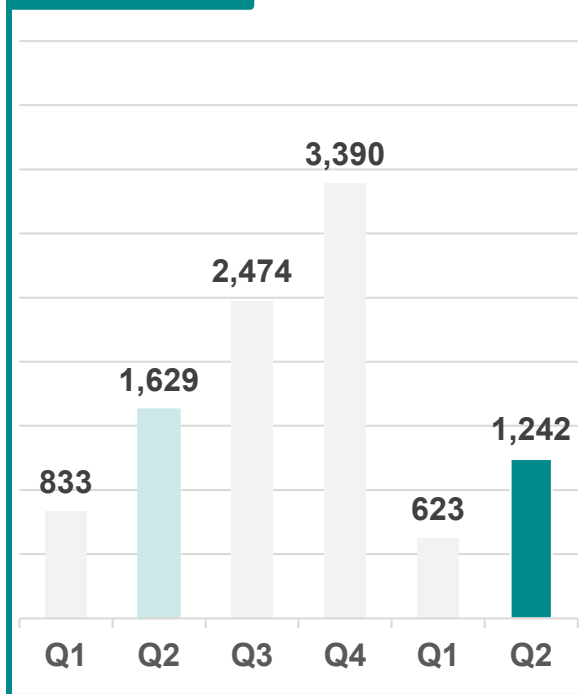
YoY -%

## Net income

-100 million yen

YoY -%

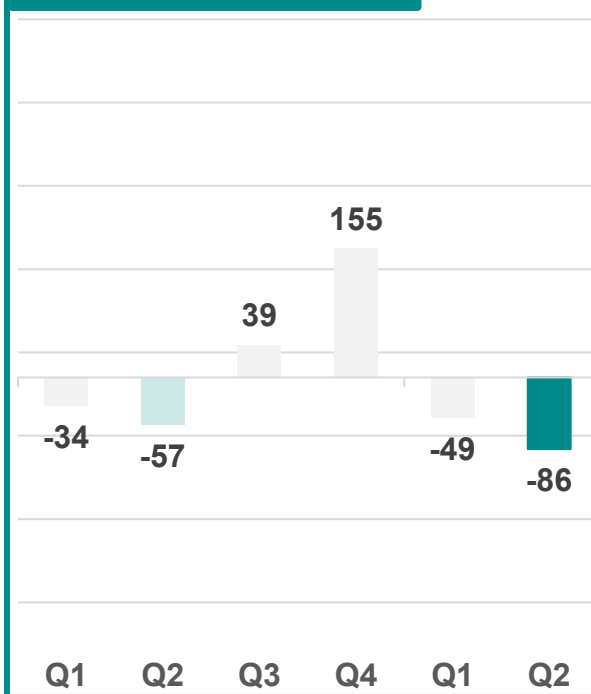
### Net sales



FY09/2023

FY09/2024

### Operating income



FY09/2023

FY09/2024

### Net income



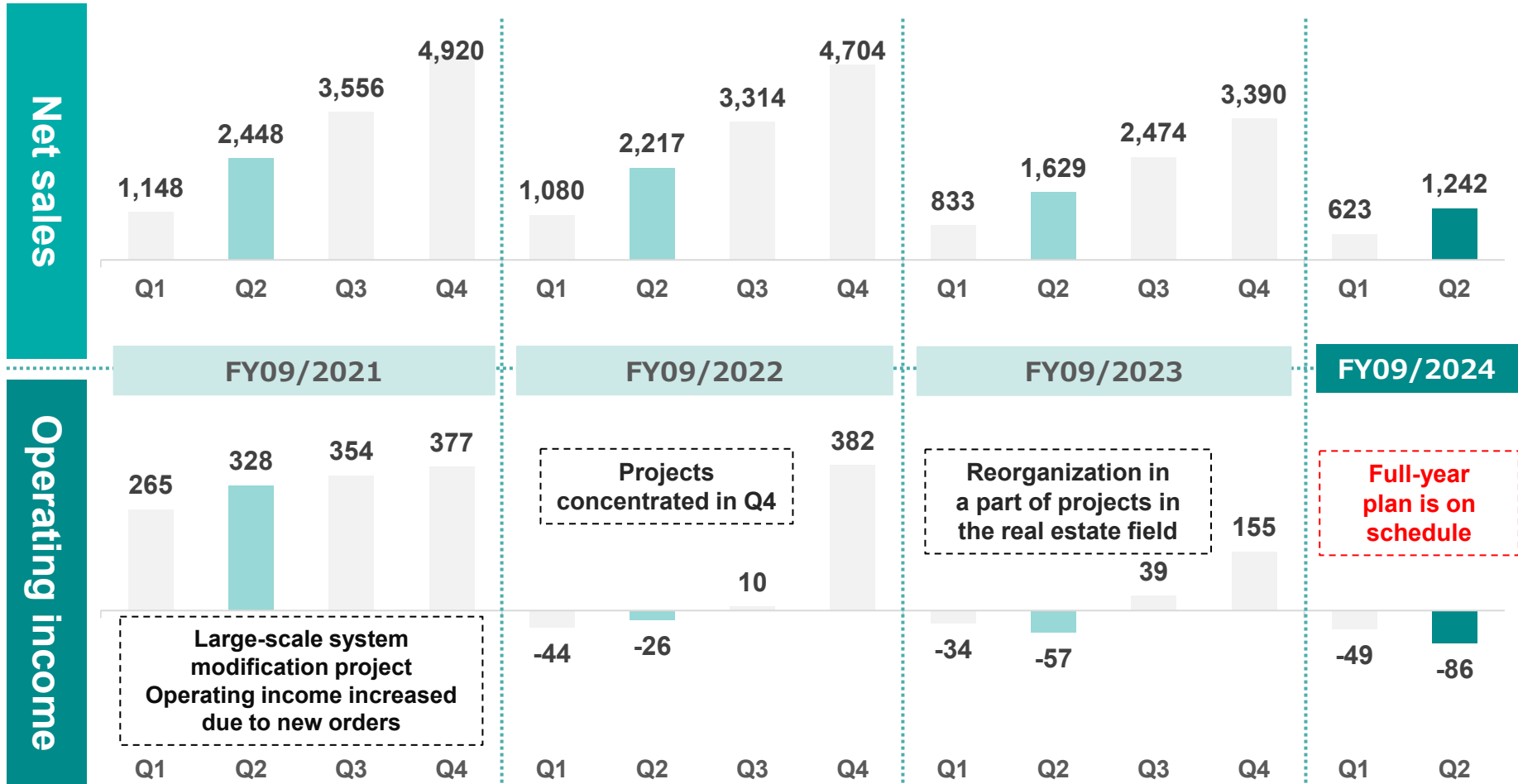
FY09/2023

FY09/2024

# Quarterly Trends (4-year comparison)

(Millions of yen)

Change in the structure of some projects in the technology business,  
Sales and income down YoY due to closure of open innovation business upon review



# Balance Sheet

(Millions of yen)	Q4 FY09/2023	Q4 FY09/2024	Increase/ Decrease
Current assets	3,610	3,520	-90
Fixed assets	3,131	3,028	-103
Current liabilities	599	640	41
Fixed liabilities	360	227	-133
Net assets	5,782	5,680	-102
Capital stock	1,706	1,706	0
Capital surplus and others	4,150	4,049	-101
Total assets	6,742	6,548	-194

FY09/2024 Second Quarter Financial Results

# Financial Results by Segment

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## Two pillars of business: technology business and open innovation business

### Open innovation



- ✓ fabbit (DX linkage)
- ✓ consulting

Focus on creating ecosystems through inter-company collaboration, regional development, and knowledge sharing

**Composition**  
**29.6%**

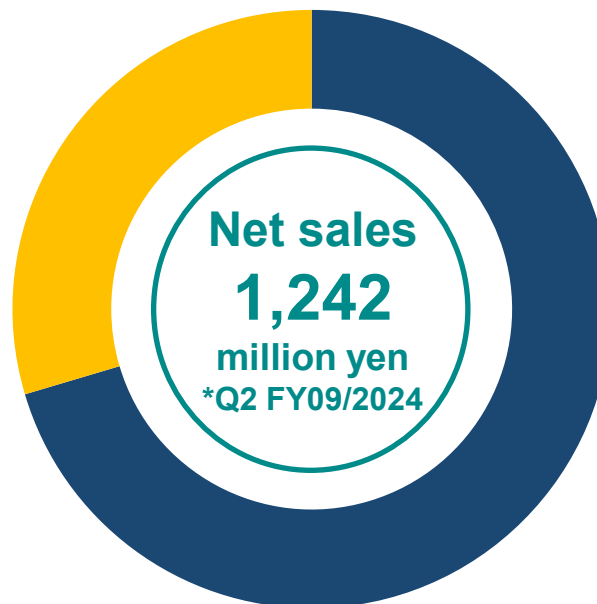
### Technology



- ✓ SaaS specialized in real estate
- ✓ System Development and Solutions

Responsible for developing the SS Cloud series for real estate operators and systems for major companies and the public sector.

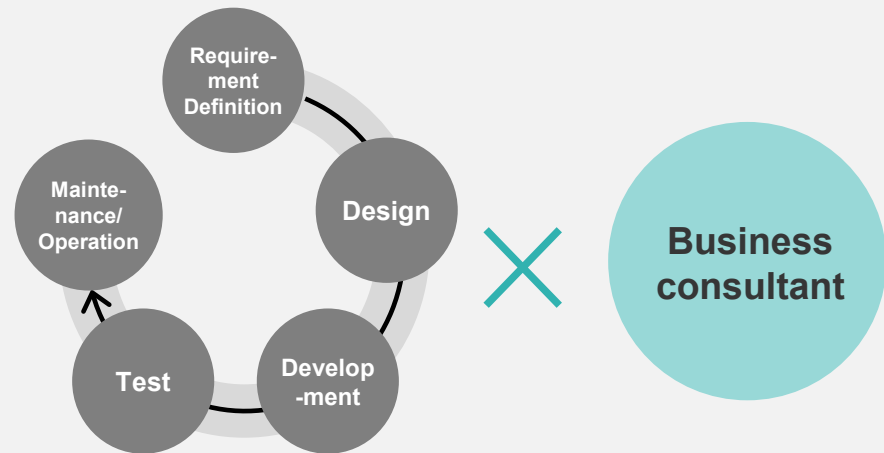
**Composition**  
**70.4%**



Provide comprehensive services from development to maintenance and operation to meet needs of users in wide range of industries

## One-stop service x consulting

High quality product development to achieve higher customer satisfaction is enabled by adding strength of consulting service, which is derived from years of experience, know-how, and knowledge in general process of system development,



## Case studies



### Banks

RMS

Digitize large volume of regulations and manuals used internally  
Contribute to improve operational efficiency and cost reduction.



### Property insurance

ERP

Core business system centered on host system.  
Building advanced systems that require stability and accuracy.



### Retail & Sales

EC Site Building System

A package that allows for project and product additions, inventory management and even effectiveness measurement through access analysis.



### Manufacturer

Business Support Systems

A system that can be used to manage sales activity and its performance, and to develop more effective sales and management strategies.



### Educational institutions

Academic Support Systems

A portal system that allows students to access school's homepage, as well as notifications of credit acquisition status and information on school closures and make-up classes.



## Promoting "LehTech," a combination of real estate and technology Real estate-specific SaaS streamlines rental management and brokerage operations

### ✓ Application Cloud

Automated service from application to screening outside business hours

### ✓ E-Sign Cloud

Electronic signatures and seals on contract documents

### ✓ Indoor Check Cloud

Service that allows tenants to check and register their rooms by themselves

### ✓ Automatic Customer Tracking Cloud

AI automatically sends customers information on properties that match their criteria

### ✓ Selkey Cloud

One-time key issuance, centralized PC management, locks open with a smartphone

contract

Moving in

departure

house-hunting

preview

### ✓ Contract Cloud

Reduce mailing costs by digitizing contract-related documents

### ✓ Travelling Cloud

Enables automatic generation of patrol routes and reports. Staff behavior management is also possible.

### ✓ Repair Check Cloud

Automatic report generation for construction companies. Status check before and after construction is possible.

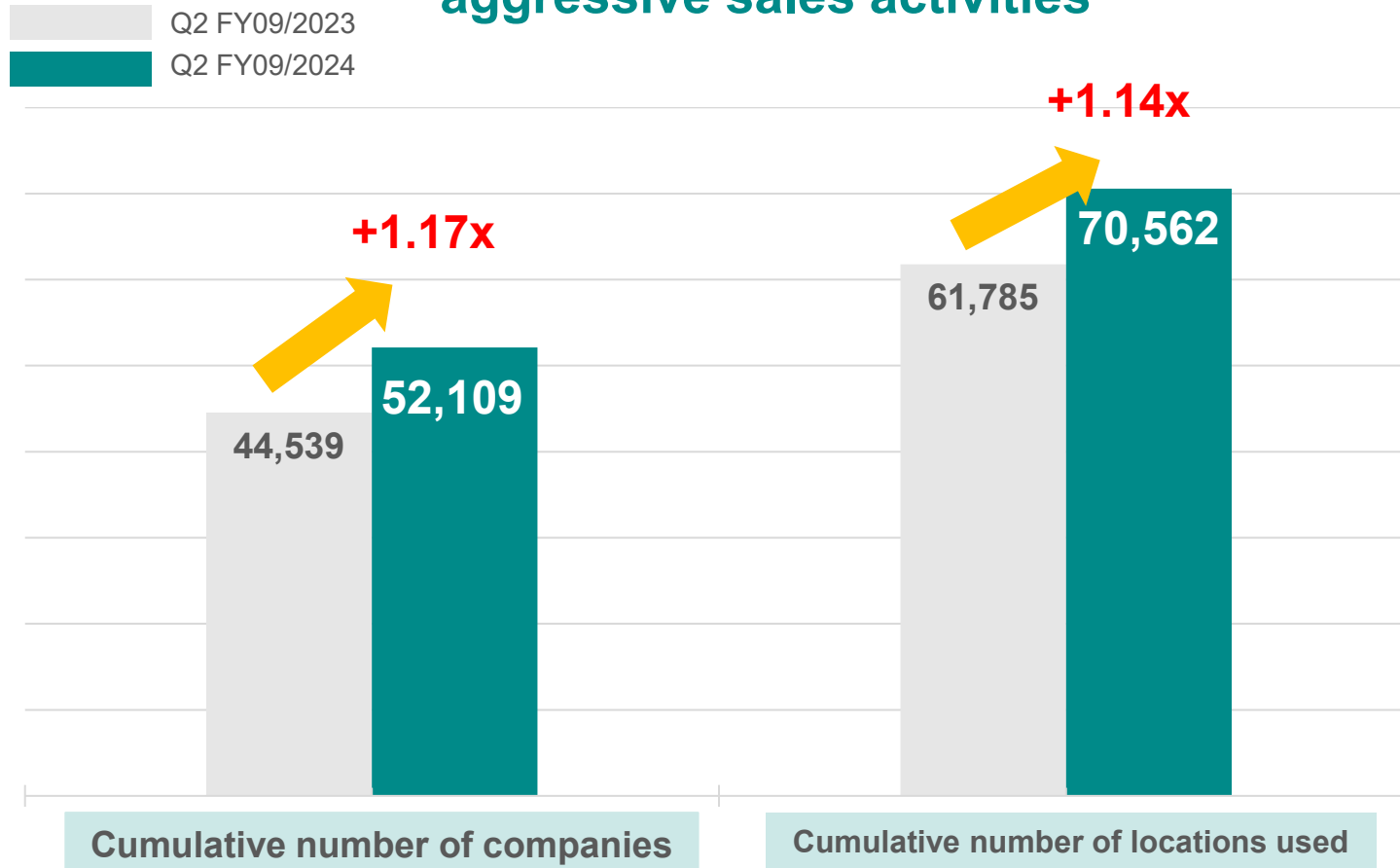
### ✓ Vacancy List Cloud

Real-time registration and inquiry of room availability

### ✓ Home Viewing Cloud

Automatically accepts reservations for previews 24 hours a day, 365 days a year. No need to arrange a key with smart locks.

## Achieved one of the largest\* installations in Japan through aggressive sales activities



The "Total number of locations used" is simply the sum of the number of locations used by the mediator and management company for each cloud. (For management companies, head offices, branch offices, sales offices, and stores are counted among those that applied.)

Cumulative number of companies using the service is simply the sum of the number of companies using the service of the brokerage and management company for each cloud.

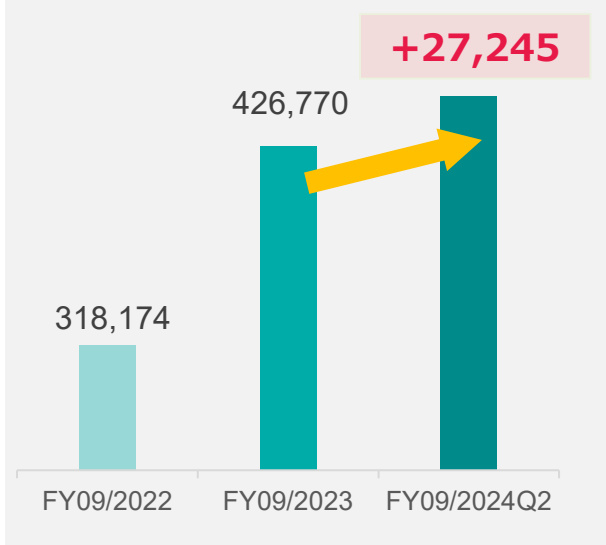
\*According to our own research.

## In cooperation with SS Cloud Series developing services to further improve operational efficiency

### Money transfer service

Total number of cases

**454,015** cases

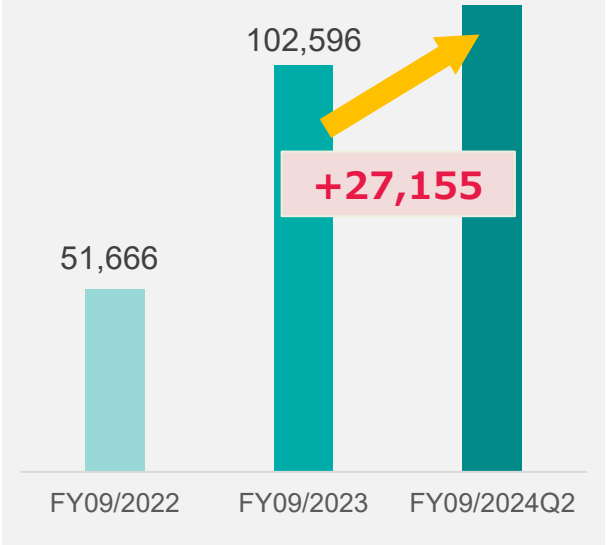


No installation fee, no monthly fee,  
no need to open an account  
Significant reduction in remittance transfer fee

### Account transfer service

Total number of cases

**129,751** cases

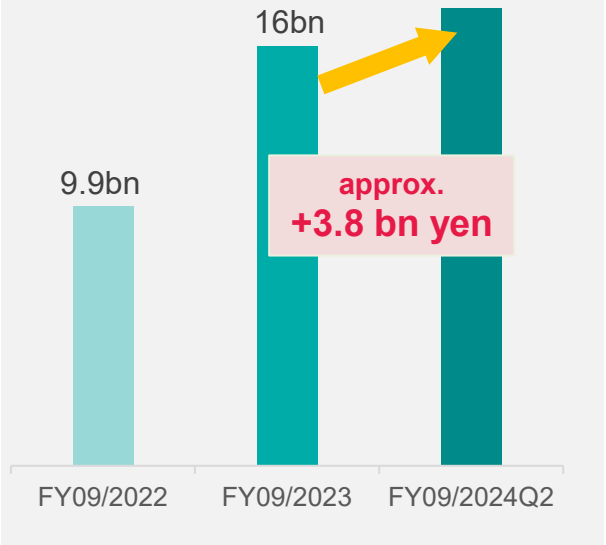


No need to confirm errors in signing or stamping  
Dramatically reduced account transfer fees

### Credit card payment service

Total settlement amount

about **19.8** bn JPY



Real estate leasing related transaction including  
security deposit, key money, etc.  
Settlement services for utilizing credit card to  
pay lump-sum deposit.

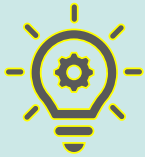
\*This product is a service to introduce customers to the management company.

## Develop other low-cost/profit-enhancing services

\*As of March 2024

### Lifeline Intermediary Service:

cumulative total companies implemented 413



### Secure Phone 24:

cumulative total companies implemented 466



### Sales of simple digestion tools:

cumulative sales: 1,212



### Floor Plan Preparation Agency Services:

cumulative total companies implemented 178



### Rent Guarantee Service:

cumulative total companies implemented 13



### BunChin PAY:

cumulative total companies implemented 89



Supporting startups and small and medium enterprises in their second business incubation. Developing facilities and operations to facilitate business matching.

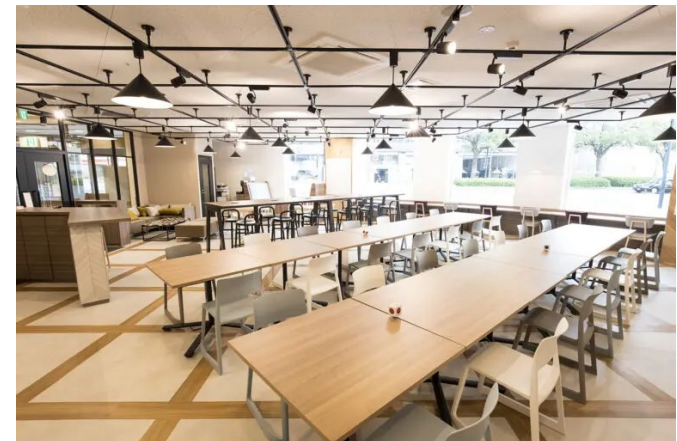


Cumulative number of fabbit members approx. 20,000



21 domestic and overseas locations, mainly in major cities

\*As of March 2024



## Office Types

Rental Office

Coworking Space

Virtual Office

Rental space for meeting & event

FY09/2024

# Earnings Forecast

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## Forecasts for the fiscal year ending September 30, 2024

Reduction in development scale due to some changes in contract forms in system development business

SaaS business timing and scope of monetization considered carefully

(Millions of yen)	FY09/2023 Actual	FY09/2024 Forecast
Net sales	3,390	3,000
Operating income	155	130
Ordinary income	135	110
Net income Attributable to Shareholders of the parent company	93	65

In FY09/2024, promote internal development and reinforcement as a period of reinforcement for mid- to long-term growth.

## Reinforcement of business structure



### ✓ Systems Development

- 1: Expansion of projects in the **development field** where our strengths lies.
- 2: Improvement of contract certainty by **making contracts more flexible**
- 3: Improvement of **profit margins** through operational efficiency and cost control

### ✓ SaaS for Real Estate Agents

Careful consideration for realization of **fee-based service**



## Investment in human resources



### ✓ Expansion of recruitment

- Promoting and securing of **human resources** to meet robust demand for system development
- 1: Expansion of the recruiting base with a focus on young engineers
  - 2: Strengthen the organization of the recruitment team (already implemented)
  - 3: Updating the recruitment website (completed)

### ✓ Enhanced skill development

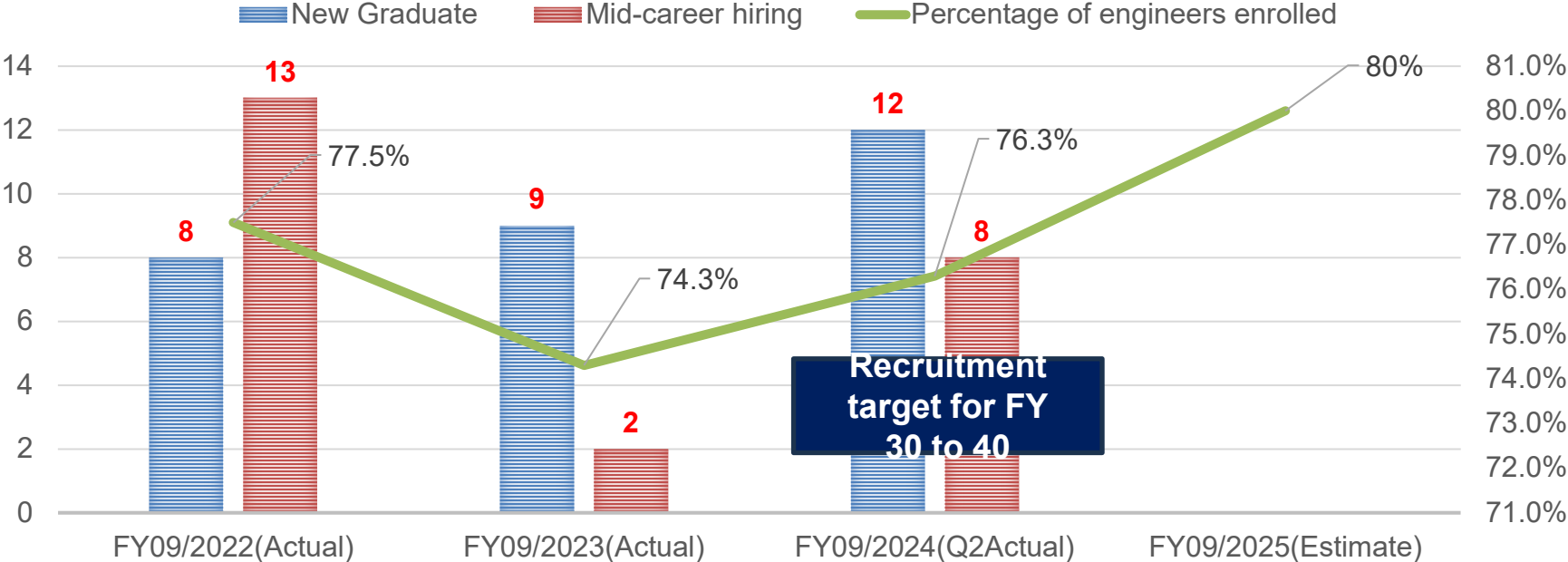
Expansion of **training** system including reskilling of hired personnel, and enhancement of continuing employee education and training system, etc.

# Investment in human resources

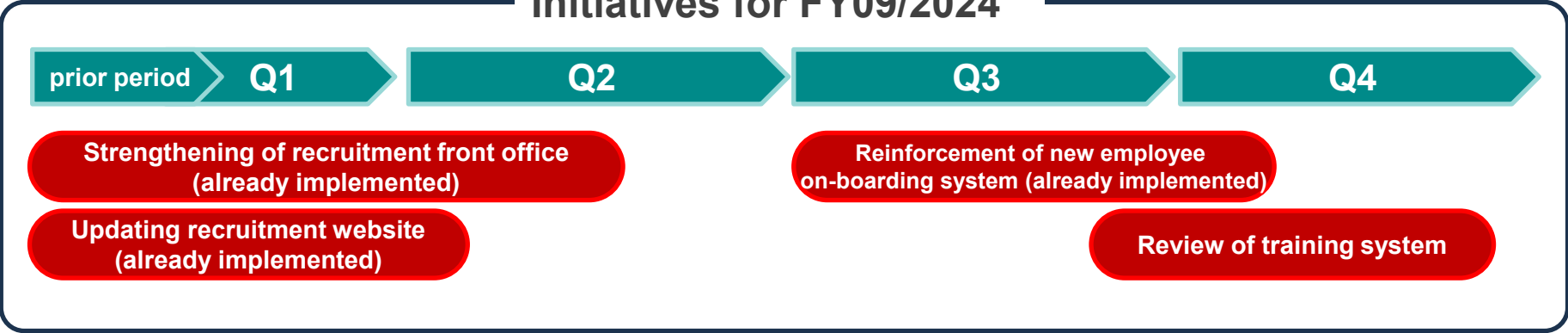
\*Target: Business units in the open innovation area are not included.

\*The percentage results for engineers in 2022 and 2023 are calculated based on the departments they belonged to (availability) as of the end of the fiscal year.

## Recruitment Trends



## Initiatives for FY09/2024



Technology × Open Innovation

***Systemsoft***

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