

# Technology X Open Innovation

**Supplementary Material for Q3 FY09/2024**

**43rd Fiscal Year**

**Systemsoft Corporation**

**TYO: 7527**

**August 2, 2024**

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

FY09/2024 Third Quarter Financial Results

# Financial Results Summary

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## Summary of Consolidated Financial Results for Q3 FY09/2024

	Q3 FY09/2023		Q3 FY09/2024		YoY	
	(Millions of yen)	Amount	%	Amount		%
Net sales		2,474	100%	1,897	100%	76.7%
Gross profit		660	26.7%	455	24.0%	69.0%
SG&A expenses		620	25.1%	579	30.6%	93.5%
Operating income		39	1.6%	-124	—	—
Net income attributable to shareholders of the parent company		2	0.1%	-128	—	—

# Summary of Consolidated Financial Results for Q3 2024

(Millions of yen)

## Net sales

1,897 million yen

YoY 76.7%

## Operating income

-124 million yen

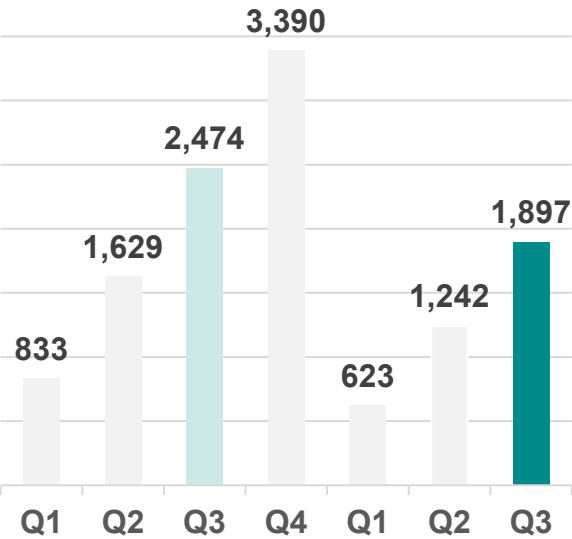
YoY -%

## Net income

-128 million yen

YoY -%

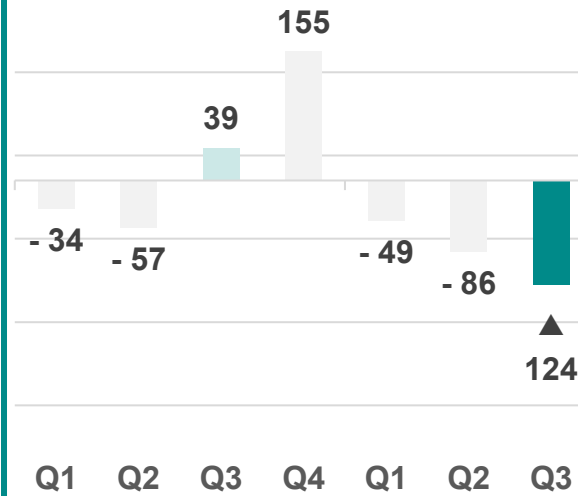
### Net sales



FY09/2023

FY09/2024

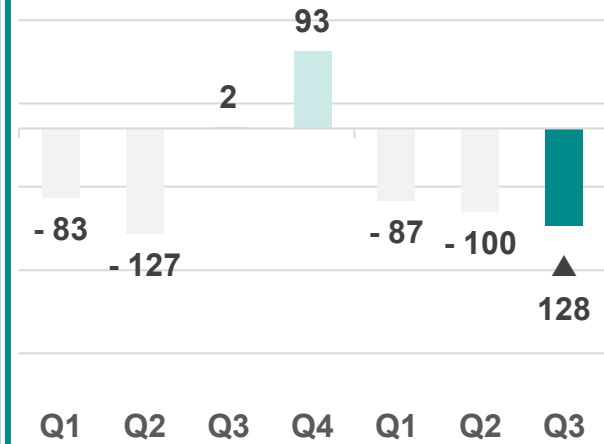
### Operating income



FY09/2023

FY09/2024

### Net income



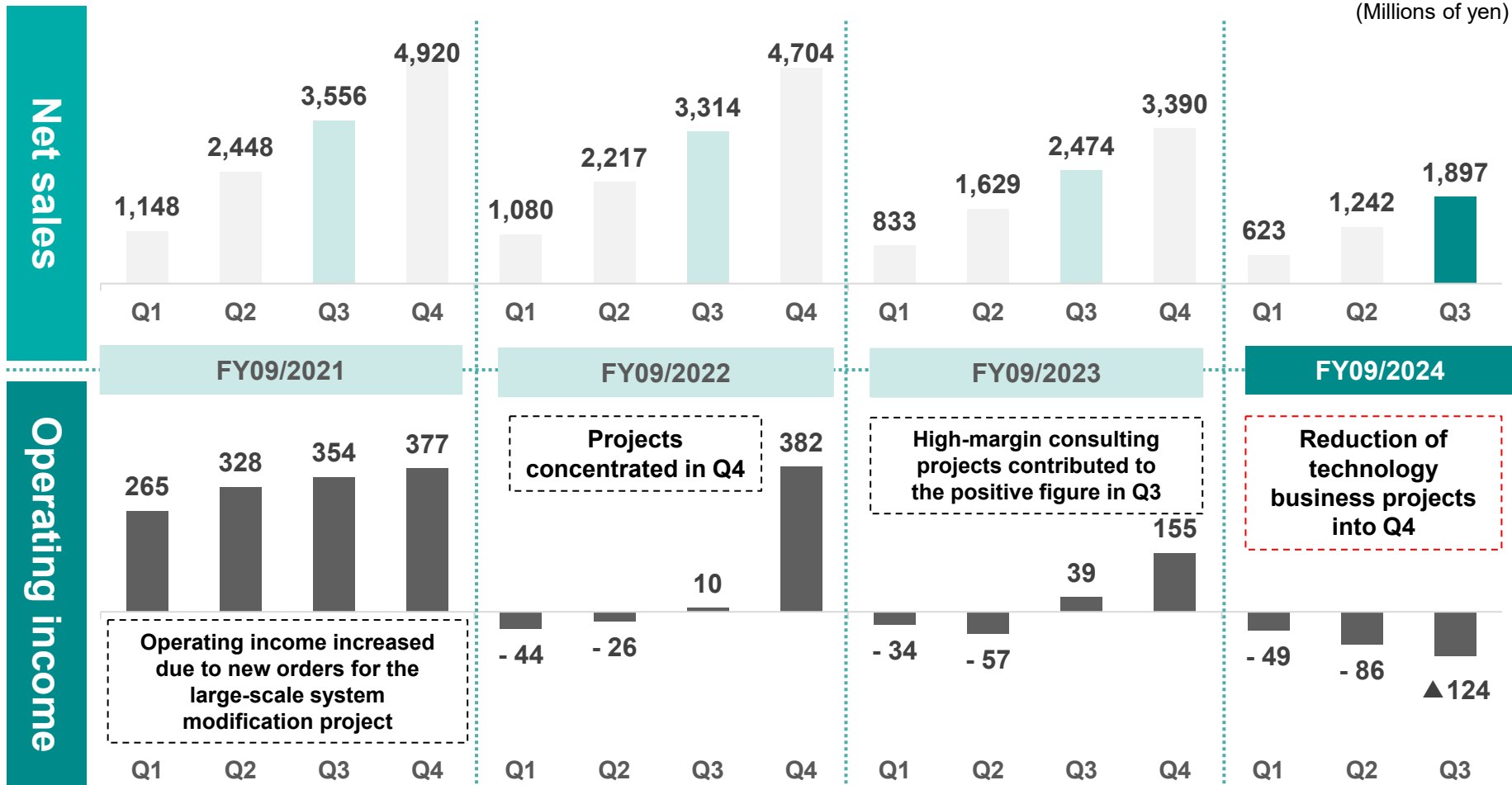
FY09/2023

FY09/2024

# Quarterly Trends (4-year comparison)

Revenues and profits declined year on year due to the reduction of the scope of projects in the technology business

(Millions of yen)



# Balance Sheet

(Millions of yen)	Q4 FY09/2023	Q3 FY09/2024	Increase/ Decrease
Current assets	3,610	3,291	-319
Fixed assets	3,131	2,981	-150
Current liabilities	599	433	-165
Fixed liabilities	360	206	-154
Net assets	5,782	5,632	-150
Capital stock	1,706	1,706	0
Capital surplus and others	4,150	4,022	-128
Total assets	6,742	6,272	-470

FY09/2024 Third Quarter Financial Results

# Financial Results by Segment

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# About the Segment

## 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**  
**29.1%**

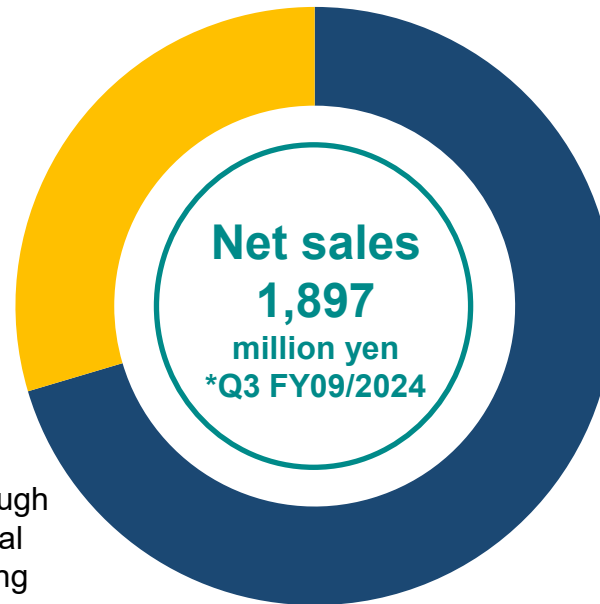
### Technology



- ✓ System Development and Solutions
- ✓ SaaS specialized in Real Estate

Developing business systems for major companies, SS Cloud Series, and etc.

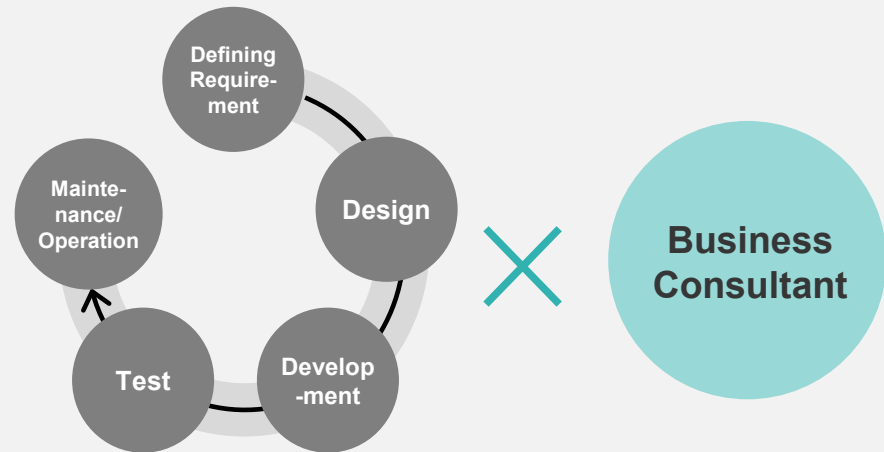
**Composition**  
**70.9%**



## Provide comprehensive services from development to maintenance and operation to meet the 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 to consulting service, which is derived from years of experience, know-how, and knowledge in general process of system development.



### Case studies



#### Banks

RMS

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



#### General Insurance

ERP

Core business system centered on host system  
Building an advanced system that requires stability and accuracy



#### Retail & Sales

EC Site Building System

A package that allows to add projects and products, manages inventory and also measures effectiveness using 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

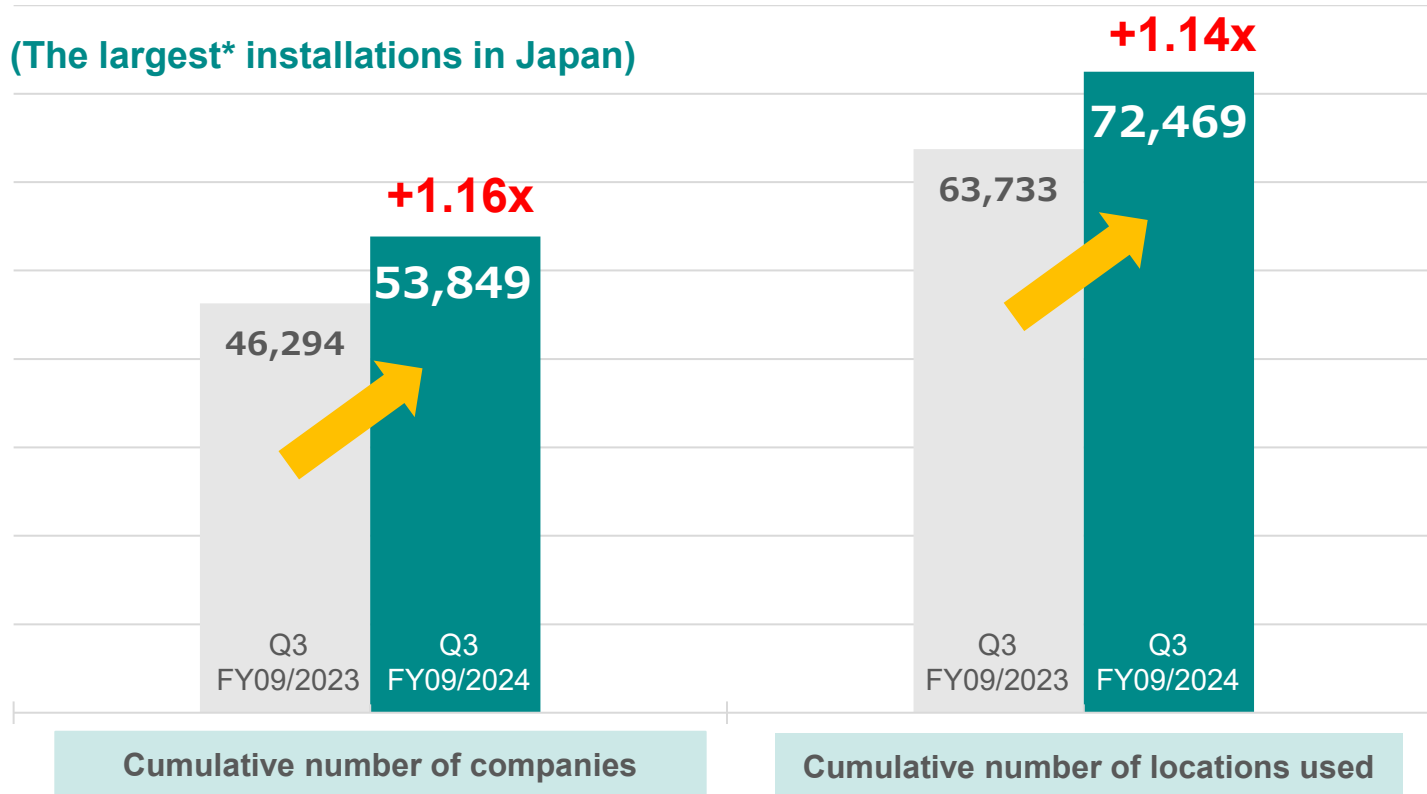
Academic Support Systems

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 technology that combines real estate and technology  
 "SaaS" streamlines rental management and brokerage services from  
 finding a home to moving out

(The largest\* installations in Japan)



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 are 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.

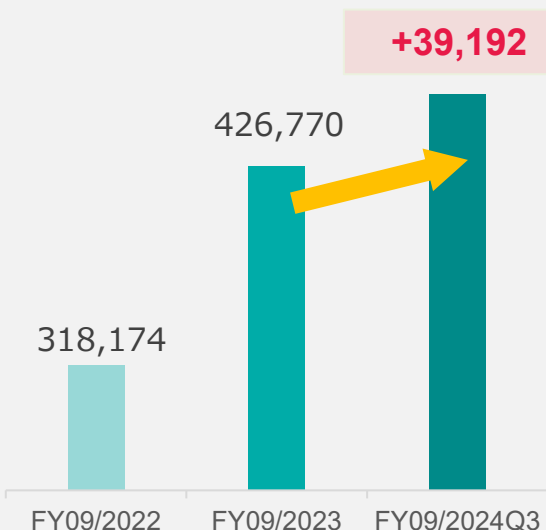
## In cooperation with SS Cloud Series developing services to further improve operational efficiency

### Money transfer service

Total number of transactions

**465,962** transactions

**+39,192**



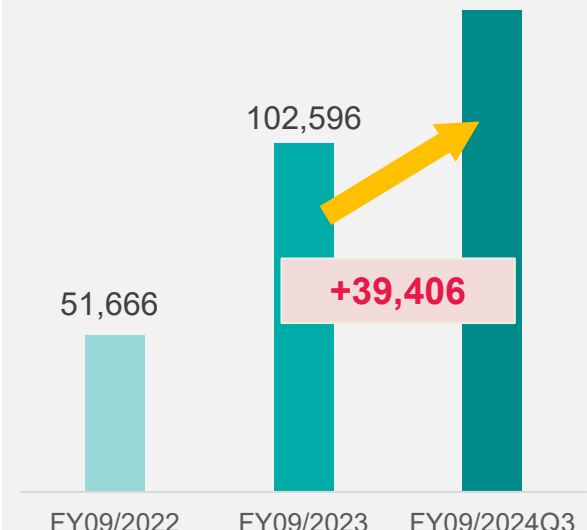
No installation fee, no monthly fee,  
Unnecessary to open an account  
Significant reduction in remittance transfer fee

### Account transfer service

Total number of transactions

**142,002** transactions

**+39,406**



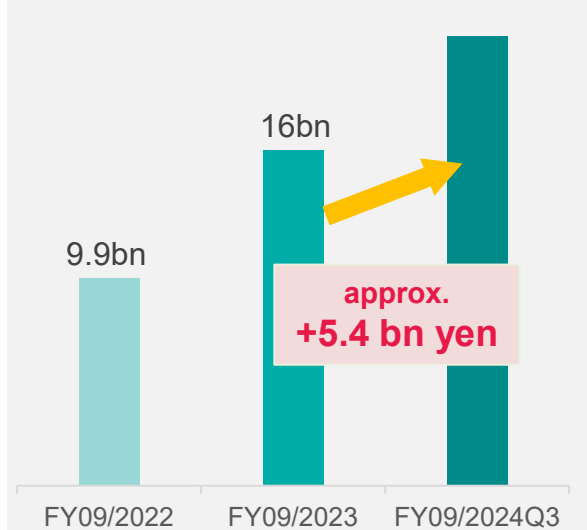
Unnecessary to confirm errors in signing or stamping  
Dramatically reduced account transfer fees

### Credit card payment service

Total settlement amount

about **21.4** bn JPY

**approx. +5.4 bn yen**



Real estate lease 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 June 2024

**Infrastructure  
Intermediary Service:**  
cumulative total numbers of  
companies implemented

442



**Secure Phone 24:**  
cumulative total numbers of  
companies implemented

531



**Sales of simple  
extinguishing tools:**  
cumulative sales: 1,380



**Floor Plan Preparation  
Agency Services:**  
cumulative total numbers of  
companies 239



**Rent Guarantee  
Service:**  
cumulative total numbers of  
companies implemented

15



**BunChin PAY:**  
cumulative total number of  
companies implemented

92



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



Cumulative number of fabbit members approx. 20,000



20 domestic and overseas locations, mainly in major cities

\*As of June 2024



## Office Types

Rental Office

Coworking Space

Virtual Office

Rental space for meetings & events

FY09/2024

# Earnings Forecast

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

**\*The consolidated earnings forecast for the fiscal year ending September 30, 2024 is currently being assessed, including the corporate split-up and transfer of the shares. It will be disclosed immediately once it becomes available.**

(Millions of yen)	FY09/2023 Actual	FY09/2024 Forecast (Original)
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



## Focus on reinforcement of business structure for the mid-to-long-term growth during the FY09/2024

### Reinforcement of business structure



#### ✓ Systems Development

- 1: Expanding projects in the **development field** where our strengths are.
- 2: Improving contract certainty by **enabling a contract process more flexible**
- 3: Improving **profit margins** through operational efficiency and cost control



### Investment in human resources



#### ✓ Expand recruitment to strengthen the system

- Securing **human resources** to meet robust demand for system development
- 1: Expanding regional locations (within Kyushu)
  - 2: Strengthening the organization of the recruitment team
  - 3: Updating the recruitment website

#### ✓ Enhancing skill development

- 1: Developing multiple training programs
- 2: Aiming to improve the overall skills of human resources, in addition to technical skills

Technology × Open Innovation

***Systemsoft***

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