



Technology X Open Innovation

**Supplementary Material for the Q2 FY2022
41st Period**

Systemsoft Corporation

TYO: 7527

May 13, 2022

- **FY2022/9 Second Quarter Financial Summary**
- **FY2023/9 Earnings Forecast**
- **Appendix: Medium-Term Management Plan**

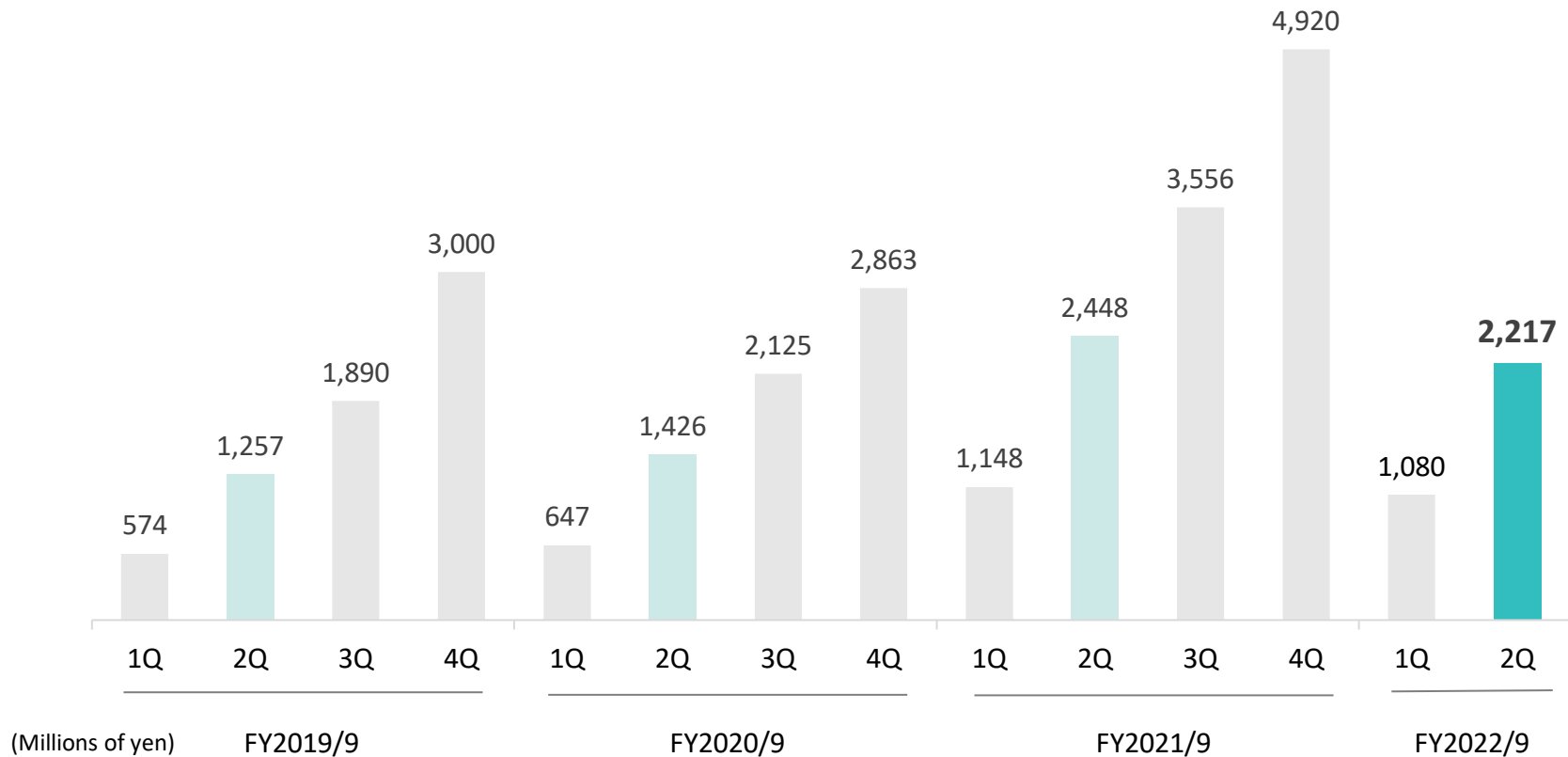
FY2022/9 Second Quarter Financial Summary

High-margin projects changed in the second half of the year
Plan of profits to build up in the second half of the year

(Millions of yen)	Q2 FY2020		Q2 FY2021		Q2 FY2022	
	Amount	%	Amount	%	Amount	%
Net sales	1,426	100%	2,448	100%	2,217	100%
Gross profit	114	8.0%	778	31.8%	446	20.1%
SG&A expenses	295	20.7%	449	18.3%	473	21.4%
Operating income	-180	-12.7%	328	13.4%	-26	-1.2%
Quarterly net income attributable to shareholders of the parent company	-529	-37.1%	509	20.8%	-54	-2.4%

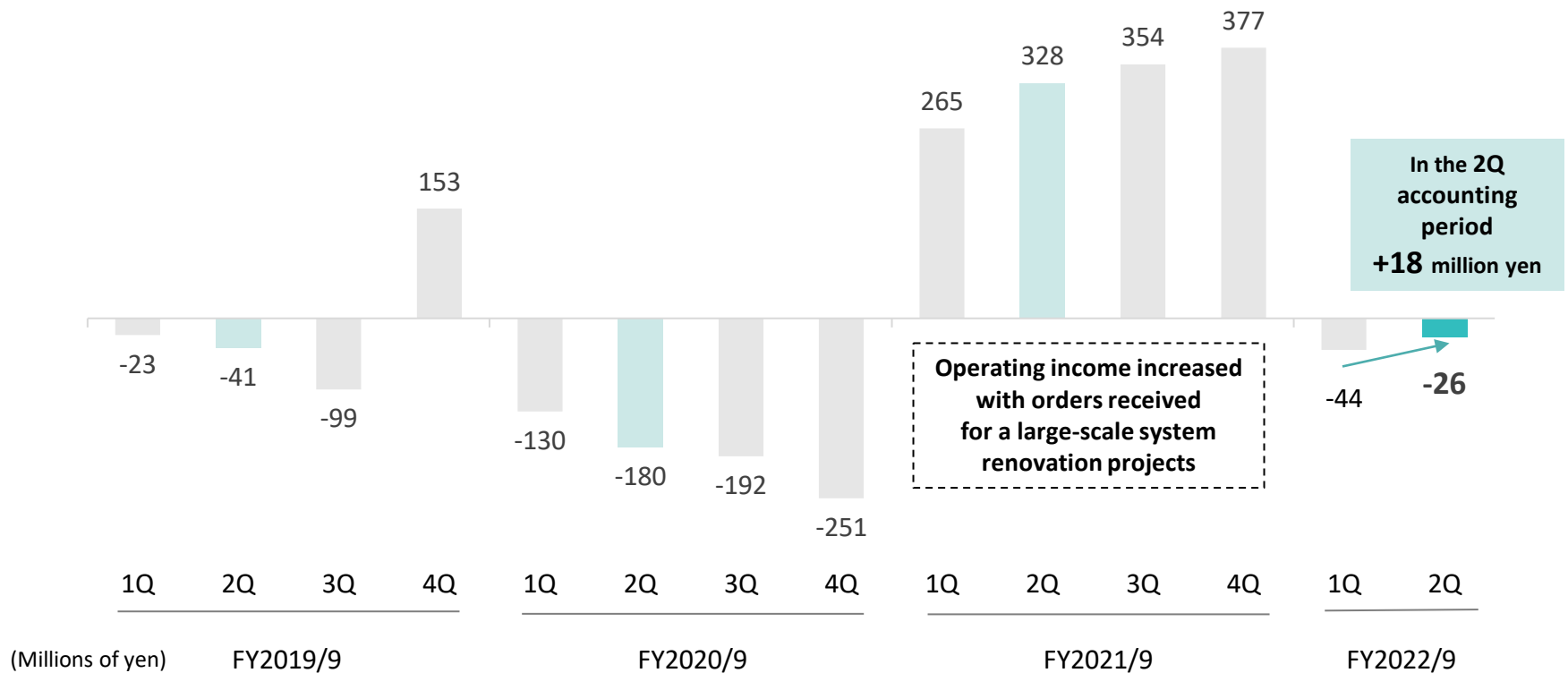
Net Sales Quarterly Changes (Cumulative)

Lower than the previous year due to the postponement of projects to the second half of the year.



Operating Income Quarterly Changes (Cumulative)

Positive in 2Q accounting period, but cumulative total affected by cost burden in 1Q.



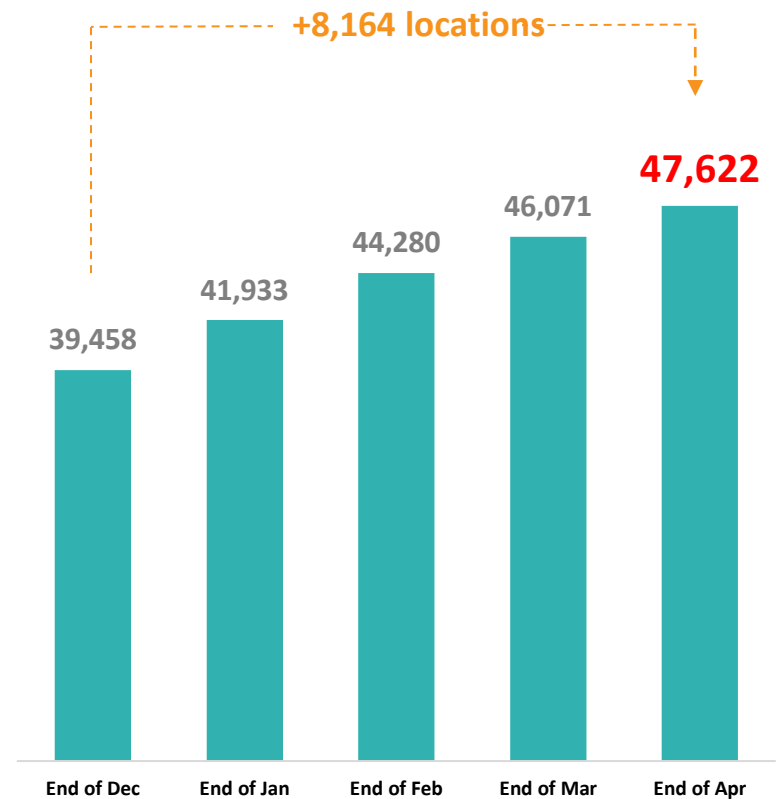
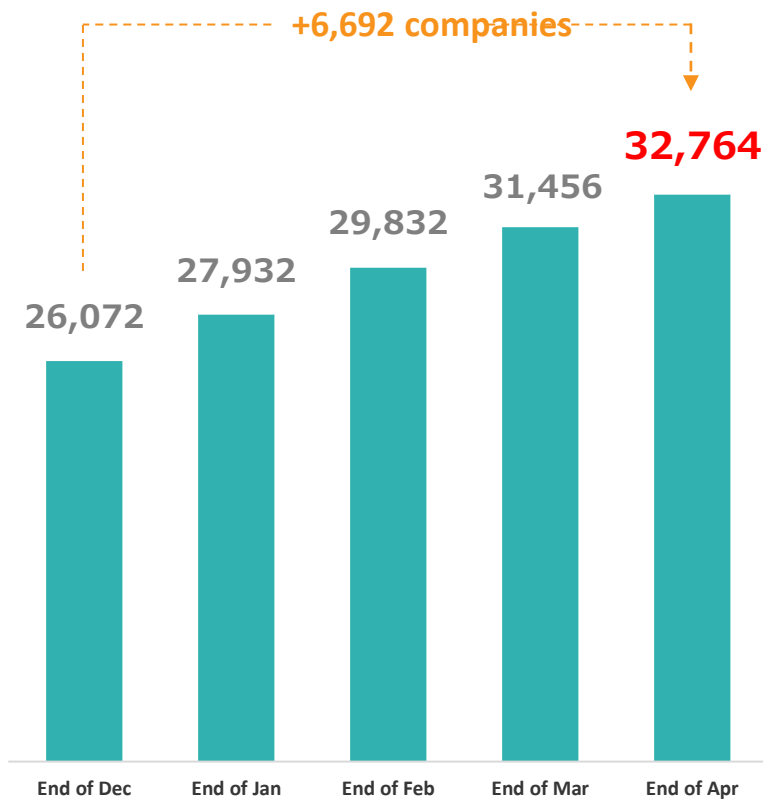
Balance Sheet

(Millions of yen)	Q4 FY2021	Q2 FY2022	Increase/ Decrease
Current assets	4,158	3,918	-240
Fixed assets	3,308	3,153	-155
Current liabilities	1,103	924	-178
Fixed liabilities	525	475	-50
Net assets	5,838	5,672	-166
capital stock	1,663	1,706	+42
Capital surplus and others	4,149	3,971	-178
Total assets	7,467	7,071	-395

Achieved one of the largest* installations in Japan through proactive sales campaign

Number of companies using the system (cumulative total)

Number of locations used (cumulative)



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 office, branch offices, sales offices, and stores are counted among those that applied.)

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

*Based on our own research.

SaaS "SKIPS" for real estate companies

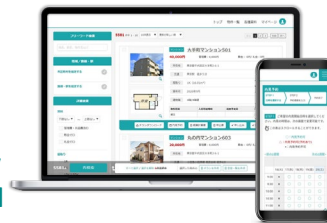
System linkage with 4 new rent guarantee companies

Collaboration with a total of 18 companies

Rent guarantee companies that have newly started cooperation (by syllabary order)

- ALPHA Co., Ltd. (Kagoshima)
- JACCS CO., LTD. (Tokyo)
- RACCOON RENT, Inc. (Tokyo)
- jpmc finance Co., Ltd.
 - • • Plan to expand the number of partner companies

Rent guarantee companies linked to SKIPS can check the information of prospective tenants who have applied to move in on the system. This improves operational efficiency in the process of submitting applications and completing screening process.



Companies with collaboration history (by syllabary order)

- ARK CO., Ltd (Iwate)
- APLUS Co., Ltd. (Osaka)
- Anshin Guarantor Service Co., Ltd. (Tokyo)
- Epos Card Co., Ltd. (Tokyo)
- L's SUPPORT Co., Ltd
- Orico Forrent Insure Co.,Ltd. (Tokyo)
- CREDENCE CORPORATION (Tokyo)
- Global Trust Networks Co., Ltd.
- J-LEASE Co., LTD. (Oita)
- Zenkoku Rent Guaranty Corporation (Tokyo)
- Zenhoren Co., Ltd. (Okinawa)
- nap. Inc. (Tokyo)
- Nihon Safety Co. Ltd. (Tokyo)
- Hot Hosyuu Inc. (Hokkaido)

In cooperation with SS Cloud Series Services are being developed to further improve operational efficiency

October 2021 to March 2022 Cumulative usage

Transfer agent service
“FliCO”

83,220
cases

YoY change

118.6%

Account Transfer
Service

13,791
cases

YoY change

211.2%

Credit Card
Payment Services

about **2.84** Billion yen

YoY change

113.2%

No installation fee, no monthly fee,
no need to open an account
Substantial reduction in transfer fees

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

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

This product is a service that introduces customers to the management company.

May 2022 Revised Building Lots and Buildings Transaction Business Law comes into effect.
Full lifting of the ban on online real estate transactions

Strengthening support for introduction of cloud services for companies that have not yet adopted DX

Real Estate Industry Moves from Analog to Online Completion

Out with “Hanko”

Electronic signatures and time stamps are used to seal important information statements and contracts.

No hard copy required

From paper documents to electronic contracts. No need to store documents.

No face-to-face meeting required

All procedures for previews and contracts can be done online.

- As part of our efforts to establish a system, SKIPS has linked its products with the "electronic contracting system" of Nippon Information Create.



2022.05 - Commencement of product affiliation

FY2023/9 Earnings Forecast

Full-year sales and operating income are expected to increase year-on-year.

System development and solutions business remain strong

**Further expand the number of SaaS installations, which will be a growth driver,
leading to increased earning power for the future.**

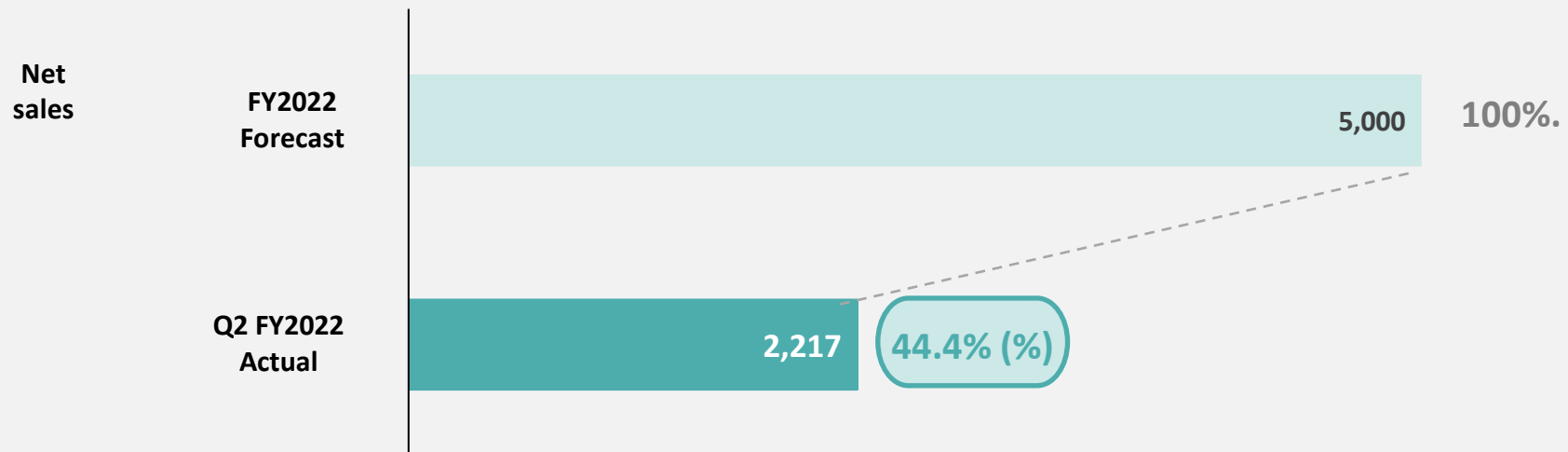
(Millions of yen)	FY2021/9 Actual	FY2022/9 Forecast
Net sales	4,920	5,000
Operating income	377	400
Ordinary income	342	370
Attributable to: Shareholders of the parent company		
Net income	483	220

Progress toward Full-Year Sales Targets

Progress rate as of 2Q against the full-year forecast for 2022 is 44.4%
Full-year forecasts remain unchanged

Actual progress against full-year forecast

(Millions of yen)



1 **Strengthen existing businesses**

- System development and solutions business continues to make progress in developing large-scale projects
- Capture increasing demand and secure orders

2 **Expand the number of SaaS contracts and move into the monetization phase**

- Expand the number of contracts within the real estate industry
- Development of new SaaS products and expansion into other industries
- Improvement of product value and pursuit of service quality
- SaaS products will be made available for a fee starting in FY 2022/9

3 **Increase public awareness**

Appendix: Mid-term Management Plan

Short term

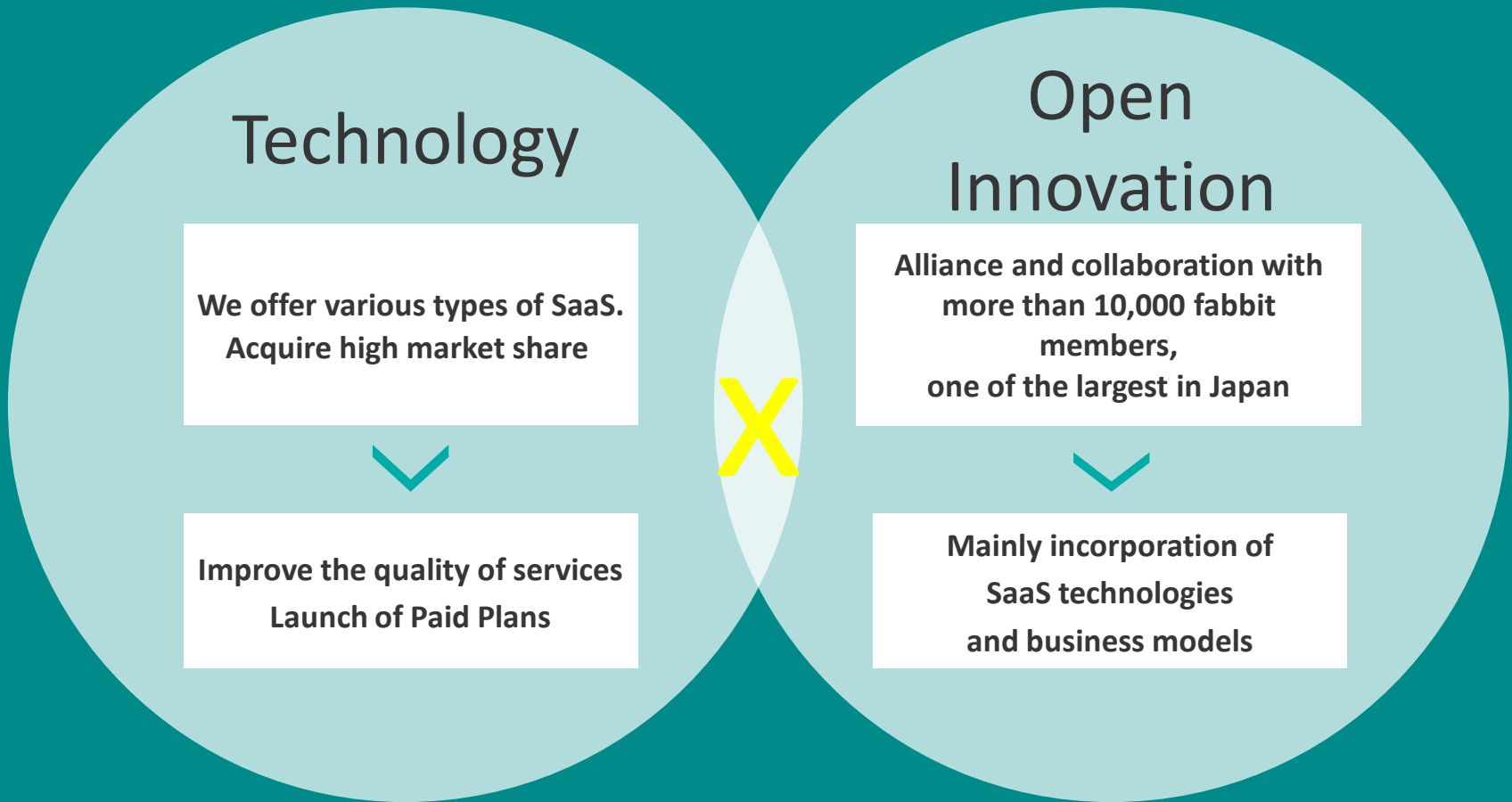
**Lead the DXification
of the real estate industry**



Mid-term

**Through Systemsoft IT technology and
innovation, Promote DX Society**

STRATEGY



Adding New Value

Medium-term management plan figures

System development and solutions business remain strong. SaaS business, a growth driver, will become paid service in stages from September 2022.

(Millions of yen)	FY2022/9 Forecast	FY2023/9 Forecast	FY2024/9 Target
Net sales	5,000	7,000	8,000
Operating income	400	700	1,000
Net income attributable to shareholders of the parent company	220	500	700

For details, please refer to "Medium-Term Management Plan 2022-2024".
<https://www.systemsoft.co.jp/wp-content/uploads/2021/11/chuukei20211112.pdf>

Medium- to Long-term Growth Image

Technology and Open innovation.
Promoting DX Society
Expand business and increase corporate value

Current
▼

Growth driver

SaaS and RPA Business

Stable revenue base

System development and solution business

Technology



cooperate



cooperate



Open Innovation

Expanding collaboration with a membership size consisting of multiple industries
Expand and strengthen our services and enter new business areas

Technology × Open Innovation

Systemsoft

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