Supplementary Materials for Financial Results for the First Quarter of the Fiscal Year Ending June 30, 2025

System Support Inc. (Security Code: 4396) November 6, 2024

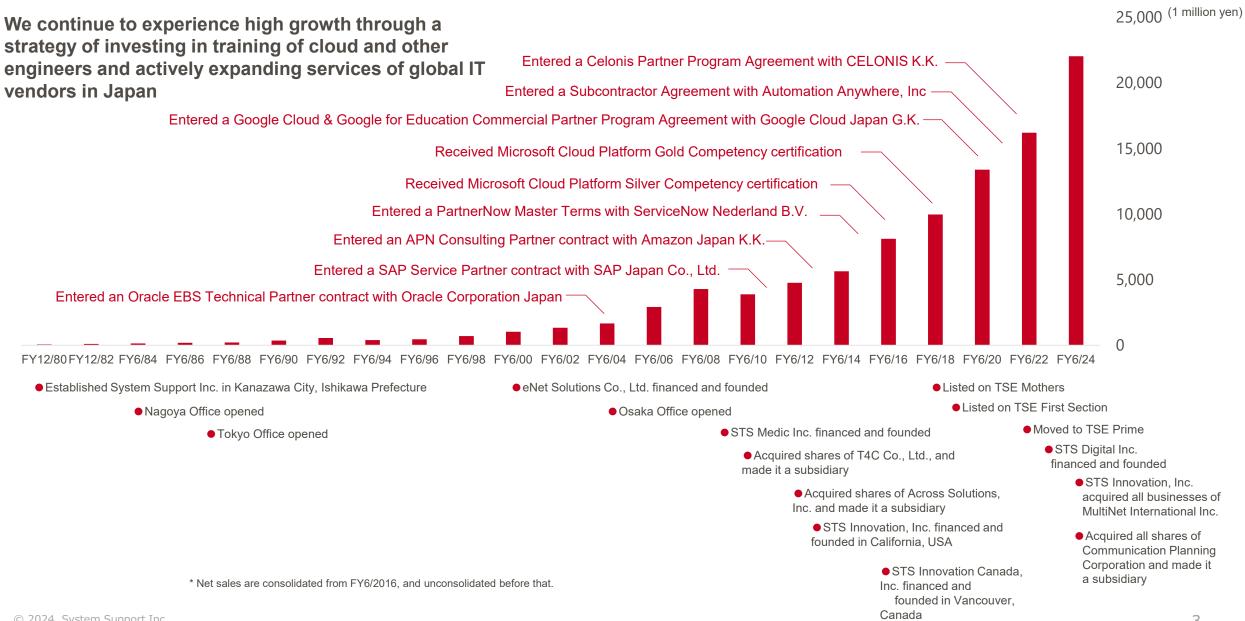


Notice: This document is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Company Profile

Company name	System Support Inc. (STS)		The head office is located in Kanazawa City, and the center of business including employees and customers is Tokyo, Nagoya,
Location	9F Rifare, 1-5-2 Honmachi, Kanazawa-shi, Ishikawa Prefecture		and Osaka. 85% of employees are engineers
Founding	January 1980		(\
Listed market	Tokyo Stock Exchange Prime Market (security code: 4396)		} _
Capital	723 million yen		Overseas (U.S. & Canada)
Net sales	22,029 million yen (FY6/2024, consolidated)		
Representative	Ryoji Koshimizu, Representative Director		Kanazawa 288
Number of employees	1,484 (as of June 30, 2024, consolidated)		
Group bases	Tokyo, Nagoya, Osaka, and Kanazawa (headquarters), United States (Silicon Valley, NY, LA, Houston), Canada (Vancouver)		
Business outline	 Technical support for migration and use of cloud services (ServiceNow, Microsoft Azure, AWS, Google Cloud, etc.) and resale of licenses, etc. System Integration Business Technical support for the introduction and use of ERP packages, construct of infrastructure such as Oracle database, and IT system consulting, designed of the outsourcing Business Outsourcing Business Our Group's private cloud and other data center services, data analysis a maintenance Product Business Development and sale of products (software) by Our Group, and customized overseas Business Overseas system integration, outsourcing of payroll and accounting service 	gn, d nd in zatioi	Number of employees by region (as of June 30, 2024, consolidated) evelopment, operation, and maintenance put, and near-shore system operation and n according to user companies' applications
24 System Support Inc.	management		2

Company Profile – Net Sales Trends and History



Summary of Financial Results for 1Q of FY6/2025 and Earning Forecast of FY6/2025

Contents

1. Financial highlights

2. Forecast for full year earning of FY6/2025 (consolidated)

3. Business segments

4. Net sales and income by segment (consolidated)

5. Human resources strategy

Financial Highlights for 1Q of FY6/2025 (Consolidated)

Net sales were satisfactory as the Cloud Integration Business continued to be strong.
 Both net sales and profit are expected to generally meet the initial plan for the first half and the full year.

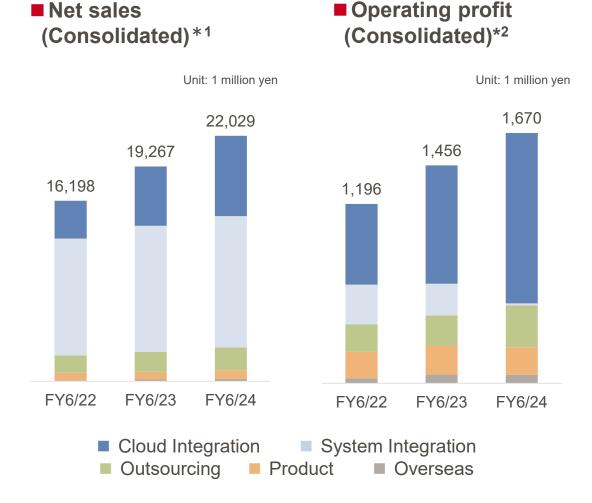
	1Q FY6/ź (Cumula		1Q FY6/2 (Cumulat		1Q FY6/ź (Cumulat		Difference (YoY change)	Percentage change (YoY change)	Comment
Net sales	4,404		5,034		6,154		+1,120	+22.3%	• Progress was satisfactory mainly led by the Cloud Integration Business.
Gross profit	1,185	(26.9%)	1,399	(27.8%)	1,643	(26.7%)	+243	+17.4%	 Compared to the same period last year, which saw a number of profitable projects, the gross profit margin slightly declined
Operating profit	304	(6.9%)	399	(7.9%)	436	(7.1%)	+36	+9.0%	 the gross profit margin slightly declined owing to the changes in the sales composition. However, each project progressed successfully without any troubles. Although the profit in each stage slightly fell short of the initial plan, it is expected to generally meet the target for the first half and the full year.
Ordinary profit	309	(7.0%)	404	(8.0%)	406	(6.6%)	+2	+0.7%	• The difference based on the exchange rate related to an M&A conducted in the US (43 mil. yen) was recorded as a temporary expense on non-operating expenses.
Profit attributable to owners of parent	205	(4.7%)	282	(5.6%)	247	(4.0%)	-35	-12.4%	• Although extraordinary incomes associated with the shift to the defined contribution pension system (22 mil. yen) were recorded in the same period last year, no similar incomes were generated in this period.

Unit: 1 million yen

Forecast for Full Year Earning of FY6/2025 (Consolidated)

					Unit: 1 million yen	
		FY6/2023	FY6/2024	FY6/2025 (Forecast)	Percentage change (Period over period)	Net sales/operating profit
Ne	et sales	19,267	22,029	26,087	+18.4%	(consolidated) Unit: 1 million yen
Op pro	perating ofit	1,456	1,670	2,115	+26.6%	26,087 22,029 2,115
Or pro	dinary ofit	1,465	1,743	2,106	+20.8%	19,267 16,198 1,670
OW	ofit ributable to ners of rent	1,009	1,224	1,444	+18.0%	13,376 ^{14,431} 1,456 11,762 1,196 931 754 529
ends	Interim dividends	15円	18円	24円	-	
Annual dividends	Year-end dividends	17円	22円	24円	-	FY6/19 FY6/20 FY6/21 FY6/22 FY6/23 FY6/24 FY6/25 (Forecast)
Annu	Total	32円	40円	48円	-	Net sales

Business segments



Cloud Integration Business

The most important business driving the Group's growth. Taking advantage of market growth, we will actively invest in expanding new areas such as AI and promoting existing businesses, and secure stock-based revenues through resale.

System Integration Business

Steadily secure sales and profits as a stable business. In addition, we will provide a diverse lineup of services in this business to customers in other businesses to support them to receive orders. We will also encourage engineers to shift their skills to the cloud sector, contributing to a high growth of the entire Group.

Outsourcing Business

Steadily expand sales and profit by accumulating stock-based revenues, mainly in our own data center.

Product Business

Steadily build up stock-based revenues such as license fees and expand a high-margin and stable earnings structure.

Overseas Business

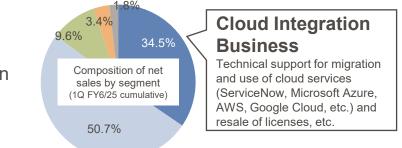
In addition to research on the most advanced IT information in North America, we have strengthened the system to ensure that this business alone generates profits.

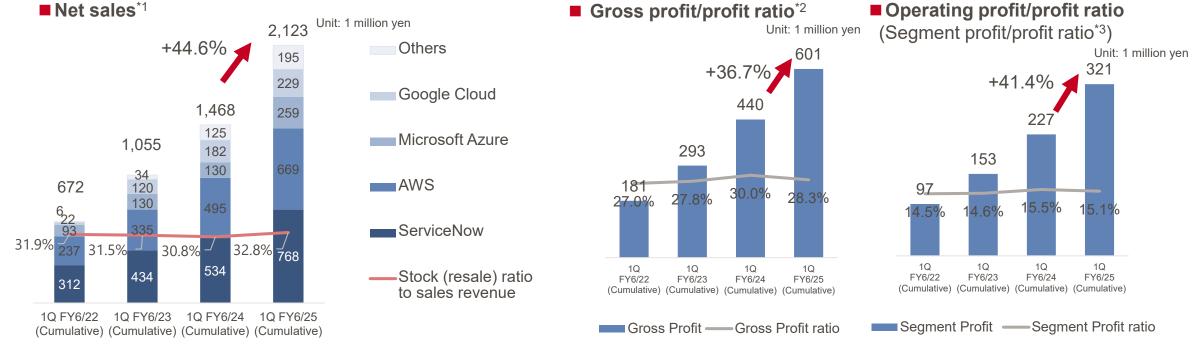
^{*1} Net sales are sales to external customers.

*2 Segment profit is the amount after adjustment for operating profit in the consolidated financial statements

Cloud Integration Business

- The demand remained strong, driven by digital transformation, and the structure of service provision was steadily enhanced through recruitment and in-house training, which resulted in solid progress in sales and profits.
- Changes in the service configuration (an increase in resales and sales of licenses, etc.) had an impact on the gross profit margin.
- ServiceNow and AWS achieved high growth, due to steady orders from end users and strengthened systems for ServiceNow, and due to steady accumulation of resales for AWS.
- Azure OpenAI, services related to Microsoft's generative AI, and Oracle Cloud Infrastructure have grown significantly, steadily expanding the scope of services.





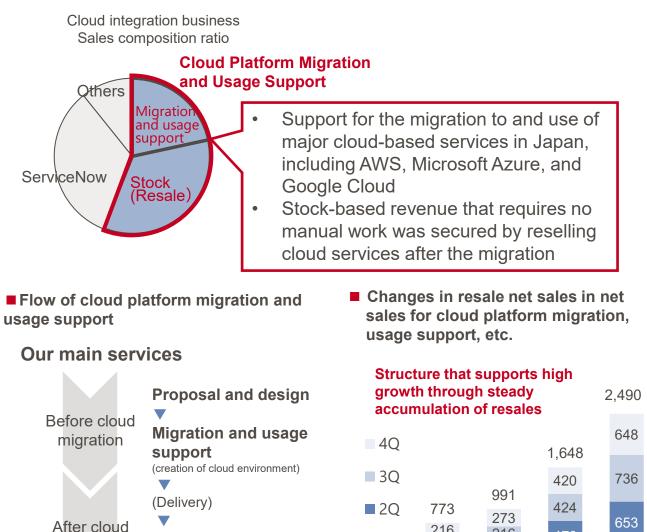
© 2024 System Support Inc.

^{*1} Net sales are sales to external customers.

*2 Gross profit by segment is the amount before adjustment for gross profit in the consolidated financial statements.

^{*3} Segment profit is the amount before adjustment for operating profit in the consolidated financial statements.

Cloud Integration Business Details (1) Cloud platform migration (Microsoft Azure, AWS, Google Cloud) and usage support



Operation and

monitoring

Resale

migration

Our strengths

Multi-cloud support

We have extensive experience with major cloud-based services in Japan, including AWS, Microsoft Azure, and Google Cloud, and we support multi-cloud services.

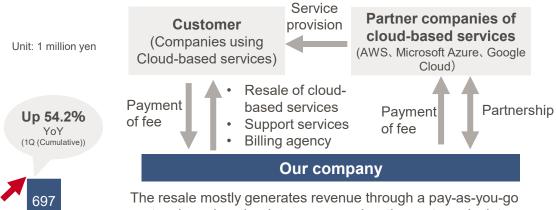
Widely implement across layers other than infrastructure instead of only focusing on cloud services

In addition to the migration of IT infrastructure to cloud services, our many years of diverse experience in application development and database construction enable us to overhaul the entire IT systems consistently.

A research and development framework that can guickly respond new services

We have a system to intensively conduct R&D in the fields where customer needs align with our strengths, leading to the quick provision of technical support for new services continuously emerging on each cloud-based services.

Outline of resale



system based on the data usage, and as the customer's data usage increases, our revenue also rises. This enables us to secure stockbased revenue without manual work.

216

287

214

FY6/22*

470

333

FY6/23

FY6/24

FY6/25

216

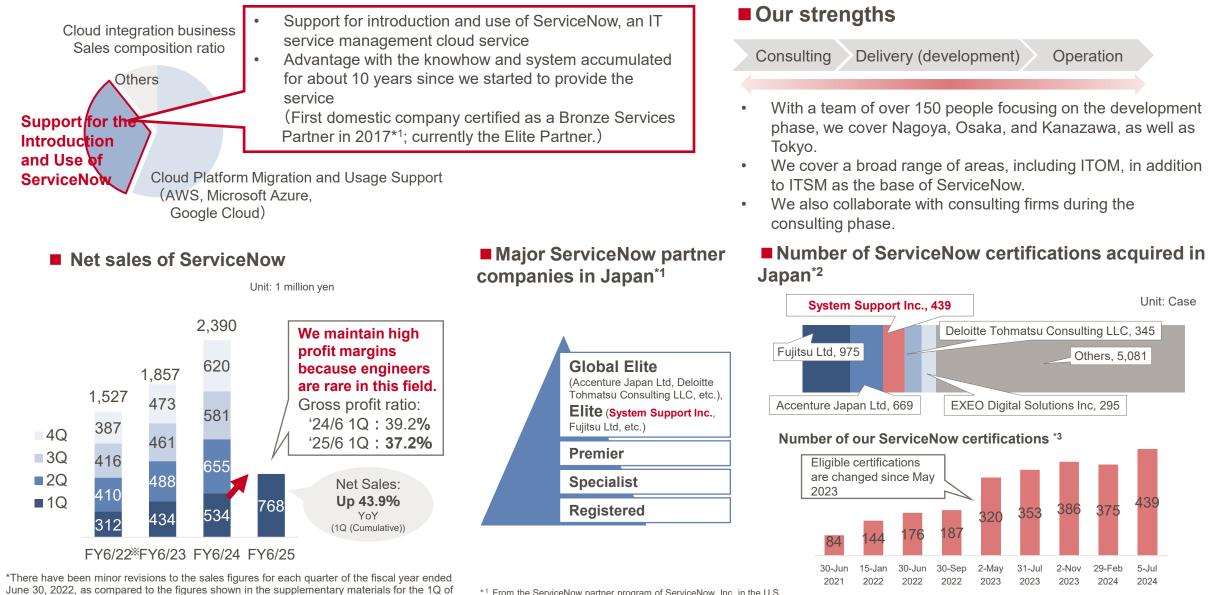
212

181 163

FY6/21

10

Cloud Integration Business Details (2) Support for the Introduction and Use of ServiceNow



the fiscal year ending June 30, 2023, but the full-year total figures remain unchanged. © 2024 System Support Inc.

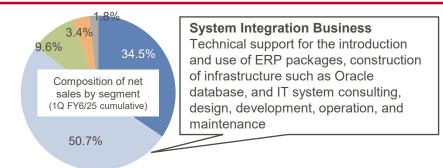
*1 From the ServiceNow partner program of ServiceNow, Inc. in the U.S.

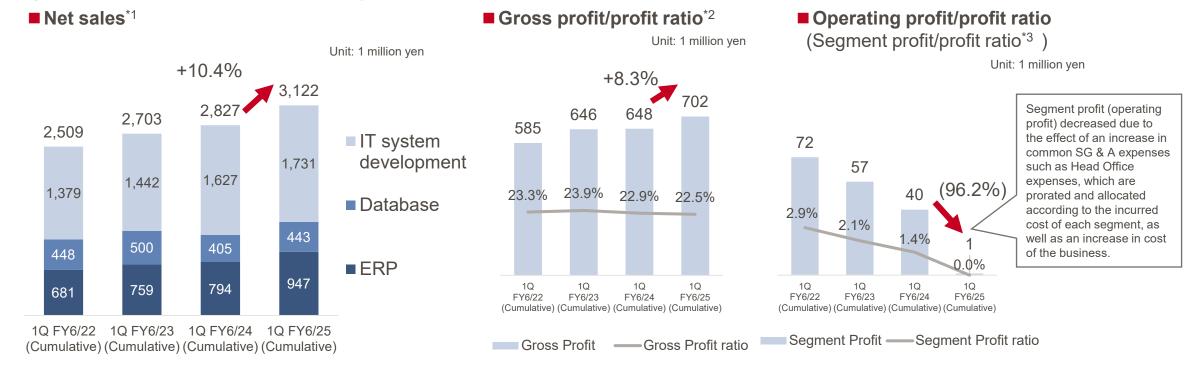
*2 From the ServiceNow Japan website (As of July 5, 2024 Eligible certifications: CTA, CSA, CAD, CAS-PA, CIS, Developer Core Skills, Suite (Pro))

*3 Eligible certifications: CIS, CAD, CAS, CTA until the end of September 2022, CTA, CSA, CAD, CAS-PA, CIS, Developer Core Skills, Suite (Pro) from May 2023 10

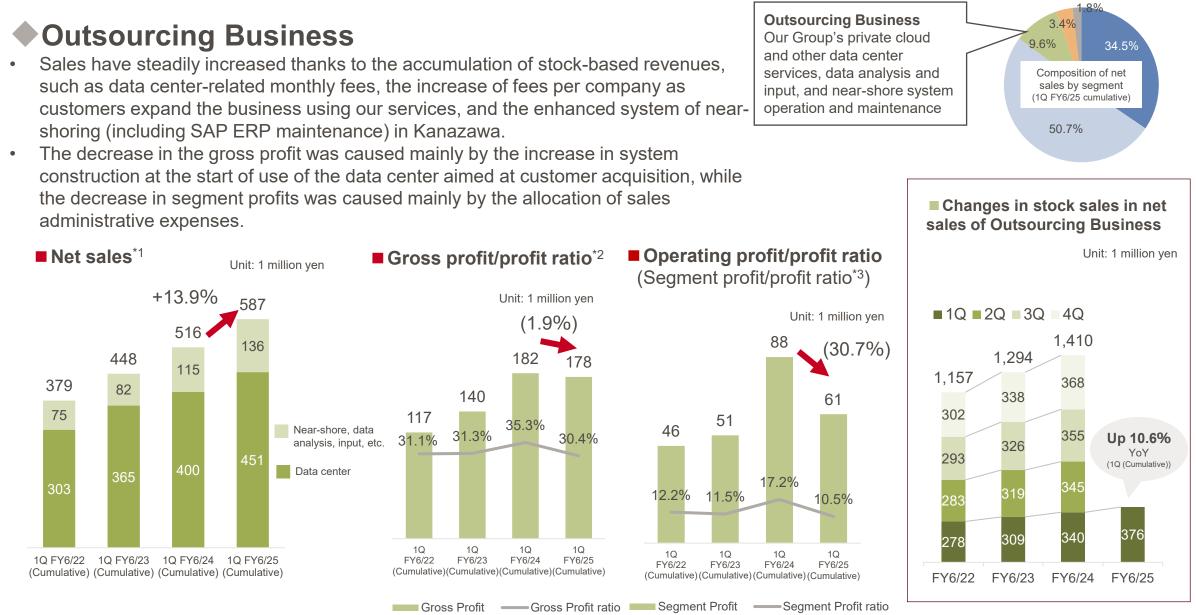
System Integration Business

- Although the fact that engineers have been shifting from this business to the cloud integration business has had an impact, the performance has been strong mainly in ERP (SAP)-related services as our group's strength, aided by the effect of M&A.
- The decrease in segment profit was mainly due to the effect of the allocation of SG & A expenses, and it was concluded that there was no significant decrease in the profitability of the business.

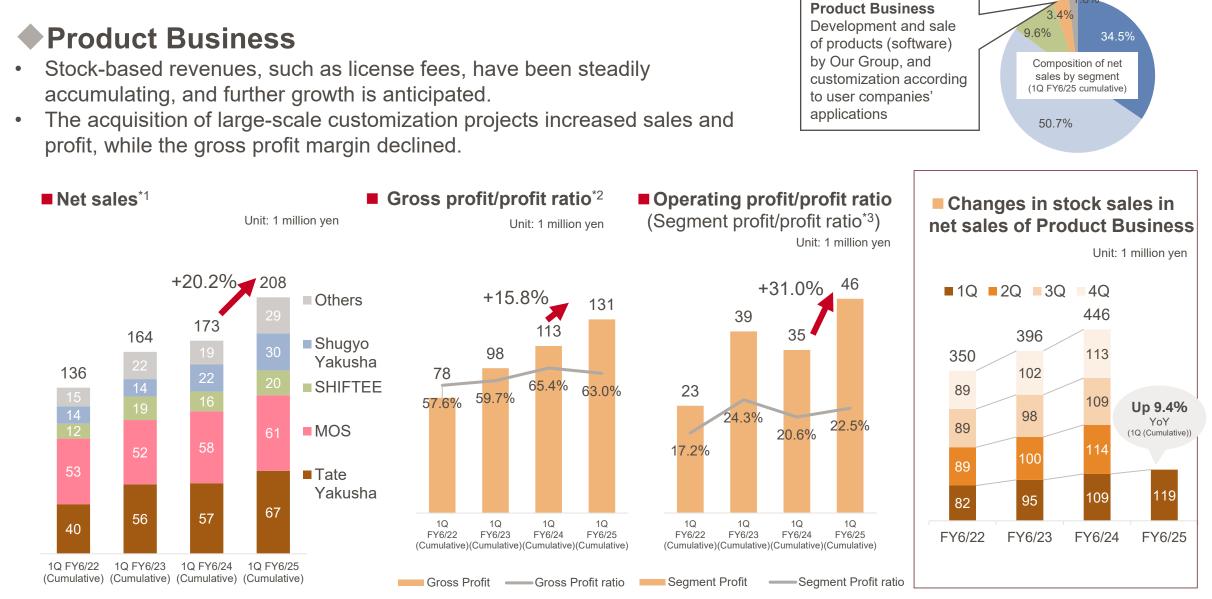




^{*1}Net sales are sales to external customers. ^{*2}Gross profit by segment is the amount before adjustment for gross profit in the consolidated financial statements. ^{*3} Segment profit is the amount before adjustment for operating profit in the consolidated financial statements.



^{*1}Net sales are sales to external customers. ^{*2}Gross profit by segment is the amount before adjustment for gross profit in the consolidated financial statements. ^{*3} Segment profit is the amount before adjustment for operating profit in the consolidated financial statements.



© 2024 System Support Inc.

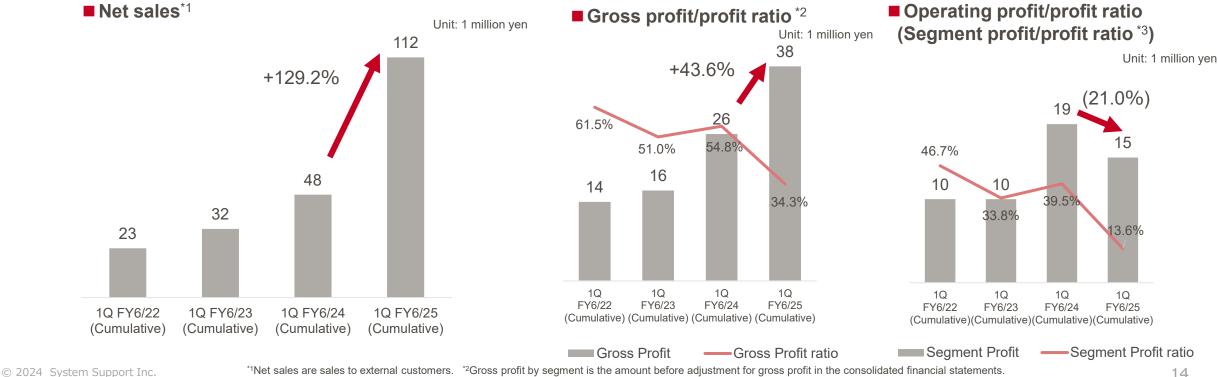
^{*1}Net sales are sales to external customers. ^{*2}Gross profit by segment is the amount before adjustment for gross profit in the consolidated financial statements. ^{*3}Segment profit is the amount before adjustment for operating profit in the consolidated financial statements.

13

Overseas Business

- System integration significantly increased following the business acquisition in July 2024.
- The above-mentioned change in the sales composition impacted the profit margin.
- We are steadily expanding a system that allows this business to generate profits independently.

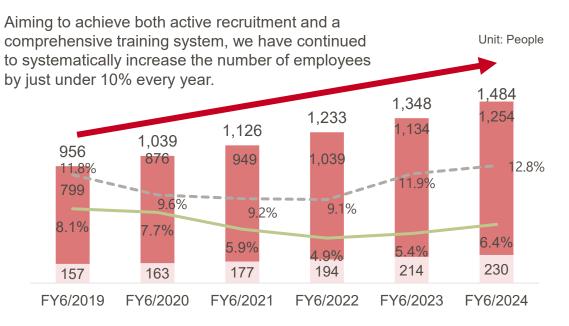
Overseas Business Overseas system 3.4% integration, outsourcing of 9.6% 34.5% payroll and accounting Composition of net services, recruitment sales by segment services, and media (1Q FY6/25 cumulative) management 50.7%



Human Resources Strategy

Our Group regards human resources as a source of business growth, and is actively engaged in the expansion of its education system and recruitment activities.

Number of employees (consolidated)



Engineers

Sales, management, etc.

- Retirement rate

--- Turnover rate in the information and communications industry*

				Unit: People
	FY6/2022	FY6/2023	FY6/2024	FY6/2025
New graduate recruitment (consolidated)	70	85	106	135 (Number of unofficial job offers)
Mid-career recruitment (consolidated)	83	100	120	122 (Planned)
Retirement rate (consolidated)	4.9%	5.4%	6.4%	-
Average age (unconsolidated)	35.4 years old	35.1 years old	34.8 years old	-

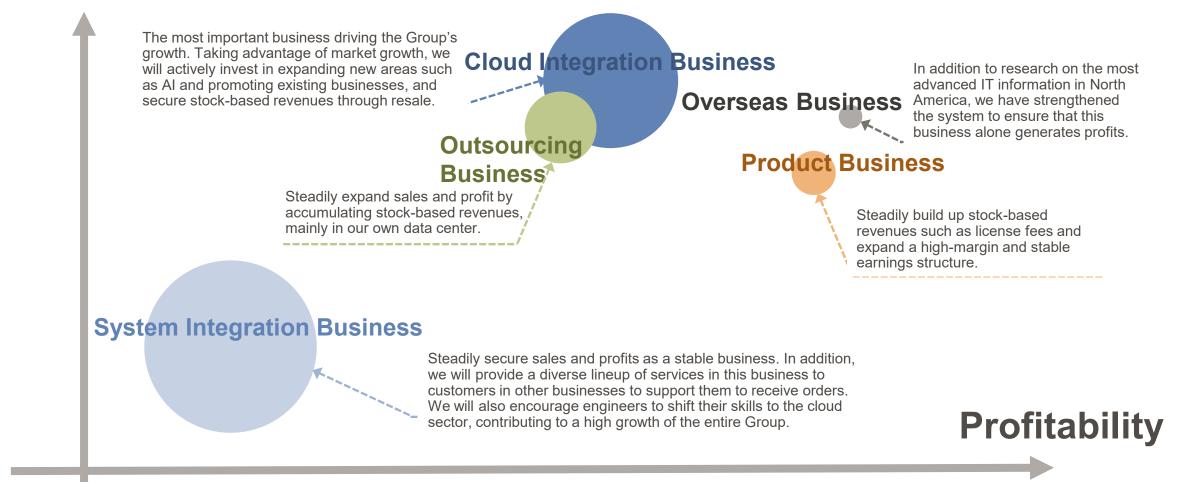
Contents

1. Growth strategy by segment
2. Growth Investment Policy
3. Shareholder Return Policy
4. Sustainability Policy
5. Our Company topics

Growth Strategy by Segment - Whole Picture

* The size of circle is the amount of sales.

Growth potential



Growth Strategy by Segment (Cloud Integration Business)

Business outline: Technical support for migration and use of cloud services (ServiceNow, Microsoft Azure, AWS, Google Cloud, etc.) and resale of licenses, etc. (Resale)

In this business, a driving force of our Group, we will actively invest in expanding our scope of business and growing our existing businesses, while also expanding the virtuous cycle in which training engineers leads to increased orders.

1 Expansion of the corresponding area

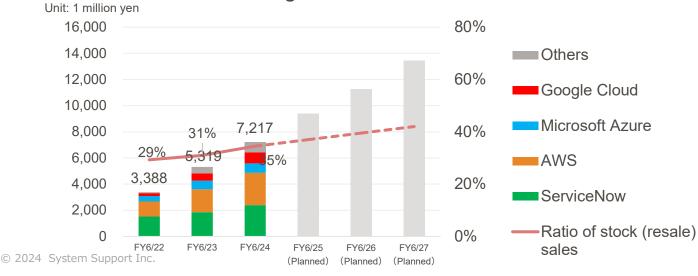
Expand the range of services by investing in AI-related services and new overseas services in order to be the first to deploy such services in the Japanese market.

2 Expansion of existing businesses

Focusing on AWS, Microsoft Azure, Google Cloud, and ServiceNow, which are the mainstays of this business, we will promote the recruitment and training of engineers and further enhance customer convenience as well as strengthen the development of unique services to improve the productivity of our Group, aiming to differentiate ourselves from other cloud integrators.



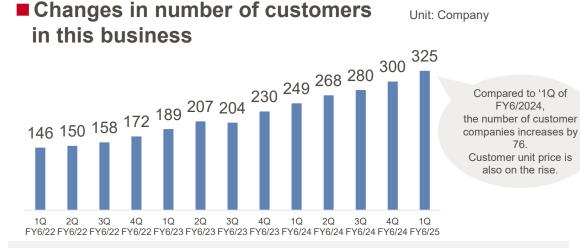
Net sales of Cloud Integration Business



Growth Strategy by Segment (Cloud Integration Business)

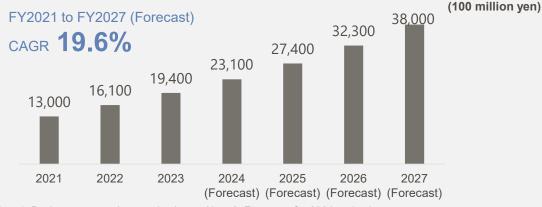
FY6/2024,

76.



Expansion of the Cloud Market

Cloud platform services (laaS/PaaS) market trends and forecasts *1



Note 1: Business operator's net sales base Note 2: Forecasts for 2024 and subsequent years Note 3: Market size does not include Software as a Service (SaaS)

These certifications and awards will strengthen relationships with each vendor and lead to customer introductions and orders.

History of major certification and awards in this business

Microsoft Azure

Obtained Gold Cloud Platform competency certification

Recognized as a partner with an outstanding track record in Microsoft Azure deployments

Obtained Advanced Specialization (2020)^{*2}

Obtained highly specialized partner certifications in specific solution areas

•Won the MVP Award five times in a row

Received consecutive awards in the field of data platforms since 2017^{*3}

 Received Microsoft Top Partner Engineer Award Received the Award in Azure Field in 2023 *3

AWS

•Obtained Oracle competency in the AWS competency program^{*4}

Received APN partner award "Rising Star of the Year 2014"

Gooale Cloud

- •Acquire Data Analytics Specialization and Application Development **Specialization by the Partner Advantage Program**
- •Attained Premier Partner badges for Google Cloud in the Sell & Service **Engagement Models**

Oracle

Received 14 consecutive awards for Oracle Database^{*5}

Received awards including Oracle Certification Award 2020 from Oracle Japan

¹ "Survey on the Cloud Platform (IaaS/PaaS) Services Market (2024)," by Yano Research Institute, Inc., announced on April 23, 2024 ^{*2} Acquired in the "Migrating Windows Server and SQL Server to Microsoft Azure" field

^{*3} Awarded by Our Company employees

⁴ Program to identify, validate, and recommend AWS Partner Network (APN) advanced and premium tier partners that have demonstrated technical expertise and customer success for AWS

*5 Awards from 2007 to 2020

19

Growth Strategy by Segment

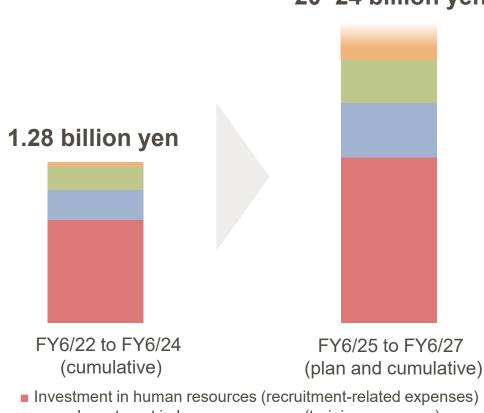
	Business outline	Growth st	strategy
System Integration Business	Technical support for the introduction and use of ERP packages, construction of infrastructure such as Oracle database, and IT system consulting, design, development, operation, and maintenance	 Expansion of existing businesses Steadily recruit and train engineers and secure orders for ERP-related, database-related, RPA-related, and other IT system development, which are the mainstay of this business. Provide customers with a variety of options Provide a variety of services such as application development to customers in other businesses, including the Cloud Integration Business. Strengthening project management Continue project management from the perspective of quality, duration, cost, and risk control to curb the occurrence of unprofitable projects and improve service quality. 	t Application development and other various technologies in this business support orders in the Cloud Integration Business.
Outsourcin g Business	Our Group's private cloud and other data center services, data analysis and input, and near-shore system operation and maintenance	 Data center expansion Target customers different from major cloud users, and use Al-related and other unique services as a hook tool to build up the numbers of customers and subscription fees per customer. Continuous data center facility expansion We will gradually increase equipment at our Group's data centers in Kanazawa and Tokyo according to operating status, achieving both quality improvement and profitability. Expansion of ERP near-shore With the need for maintenance of ERP products, centered on SAP ERP, expected to increase toward 2027, Our Company is strengthening its system by training near-shore personnel in the Kanazawa area. 	• Net sales of Outsourcing Business and ratio of stock sales (annual and monthly data center fees) against net sales Unit: 1 million yen 3,000 2,500 2,000 1,772 2,043 1,500 1,500 1,500 1,500 1,541 1,541 1,541 1,541 1,500 1,500 1,500 1,500 1,500 1,541 1,542 1,5625 EV6/26 E6/27 (Planned)(Planned)(Planned)

Growth Strategy by Segment

	Business outline	Growth St	rategy
Product Busines		 Maintaining and improving stable high profitability By increasing non-customized sales, we will strengthen the structure in which increased sales lead to higher profits. We will accumulate stock-based sales such as monthly usage fees to ensure stable high profit margins. Customer expansion In order to increase new customers, Our Company will expand sales channels for agents and strengthen advertising and publicity. Functional enhancement Continue to enhance existing products to reduce lead time until introduction and improve competitiveness against other companies' products. 	$\begin{array}{cccccccccccccccccccccccccccccccccccc$
Oversea Busines		 Expansion of cutting-edge services in Japan Collecting cutting-edge IT information to develop promising businesses in Japan. Support for companies entering North America Support for IT infrastructure, recruitment, and marketing of Japanese companies entering North America. Strengthening outsourcing services Strengthen remote monitoring services for Japanese companies using the time difference between Japan and North America and outsourcing services for Japanese companies in the U.S. 	<text></text>

Growth Investment Policy

Accelerate growth by investing cash generated from business activities for developing new areas and strengthening business foundations.



- Investment in human resources (training expenses)
- Research and development (R & D) expenses M & A-related expenses

20~24 billion yen

Policies in each sector

Investment in human resources

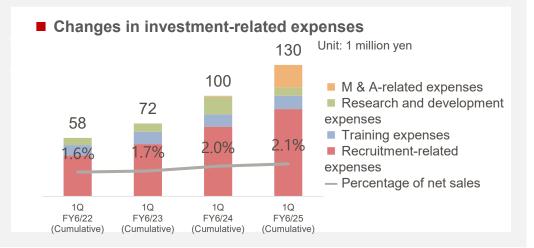
Positioning human resources as a source of business growth, we will invest mainly in "active recruitment and appointment of diverse human resources" and "human resources development" (see page 14 for human resources strategy)

R & D investment

Focus on considering the development and strengthening of services, especially Al and cloud services.

M & A investment

Dynamic implementation of M & A to expand the service lineup and resources in growth areas.



Dividend policy

Our basic profit distribution policy is to continue to pay progressive dividends to shareholders and increase the level of dividends in accordance with our performance and profit level, while investing in future growth and strengthening our management structure.



Sustainability Policy

Address social issues through sustainability management based on the management philosophy.

	Efforts to date	Efforts to strengthen
Environment	 The Sustainability Committee was established to plan and study sustainability measures. Implement CO₂ emission reduction activities using renewable energy. Start of information disclosure on sustainability 	 Set CO₂ emission targets and implement further reduction measures Expand a disclosure system in line with the TCFD, and respond to CDP and improve score
Advanced Customer Service Management philosophy Sharing Value	 Development of IT engineers Realization of diverse human resources employment and work styles Contribution to local communities and local administration 	 Promote health management, diversity inclusion, and equity initiatives for the advancement of diverse human resources. Expanding the activities of Microsoft Base Kanazawa with the aim of expanding local businesses and revitalizing the economy through development of DX human resources.
Governance	 Establishment of various committees and improvement of systems to improve corporate governance The Board of Directors is composed to strengthen corporate governance and ensure diversity (Four independent outside directors and three women out of ten directors). 	 Aim to improve the response and quality of the revised Corporate Governance Code. Continue to work to strengthen corporate governance and ensure diversity in the composition of the Board of Directors.

Our Company Topics for FY6/2025 (July 2024 to September 2024)

Date	Subject
July 2, 2024	STS Innovation, Inc. acquired all businesses of MultiNet International Inc.
July 3, 2024	Acquired a patent related to a food inventory forecasting system for restaurants "Smart Rabbit"
July 9, 2024	On the 20th anniversary of our construction work information management system for the building industry "Tate Yakusha," it was renewed to a new model with enhanced standard functions, and a 20th-anniversary campaign is held
July 26, 2024	Acquired all shares of Communication Planning Corporation and made it a wholly owned subsidiary
July 29, 2024	Commenced the provision of a coaching support system "Smart Assist" for an intra-company AI assistant chat system Smart Generative Chat Provided support for the efficient introduction and use of generative AI
August 1, 2024	Announced the revision of expected dividends (increase)
August 7, 2024	Announced the change in the dividend policy (introduction of progressive dividends)
August 7, 2024	Announced the conclusion of an absorption-type split agreement associated with the transition to a holding company system due to a company split, along with partial amendments to the articles of incorporation (including some changes to the tradename and business purpose)
August 8, 2024	Provided internships utilizing the immersive space in Microsoft Teams at Microsoft Base Kanazawa for students from Ishikawa Special Needs Education School
August 9, 2024	Celebrated the second anniversary of Microsoft Base Kanazawa
August 14, 2024	Announced a share buyback and self-tender through off-floor self-tender trading (ToSTNeT-3)
August 15, 2024	Announced the results of the self-tender through off-floor self-tender trading (ToSTNeT-3) and the end of the buyback
August 21, 2024	Announced the abolishment of the retirement benefit system for directors
August 27, 2024	Our cloud-based shift management system "SHIFTEE" collaborated with a cloud human resource software "SmartHR" and was listed on "SmartHR Plus"
September 26, 2024	Announced the policy on the disposal of treasury shares as restricted shares

Disclaimer and Forward Looking Statements

- This document has been prepared by System Support Inc. (hereinafter referred to as "Our Company") for the purpose of providing investors with an understanding of the current status of Our Company.
- The contents of this document are prepared based on economic, social, and other conditions generally recognized as prevailing at the time this report was prepared, as well as certain assumptions that we have judged to be reasonable, but may be subject to change without notice due to changes in the business environment or other reasons.
- The materials and information provided in this presentation include so-called "forward looking statements." These statements are based on current expectations, projections, and assumptions with risks and involve uncertainties that could cause results to differ materially from those in the statements.
- Such risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange rate fluctuations.

For further information, please contact: Investor Relations, Administrative Planning Department, System Support Inc. TEL: 076-265-5151 E-mail: ir@sts-inc.co.jp Thank you

「TS システムサポート