

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 12, 2026

Company name: System Support Holdings Inc.
 Name of representative: Ryoji Koshimizu
 President, Representative Director
 (Securities code: 4396; Tokyo Stock Exchange Prime Market)
 Inquiries: Naoyuki Morita
 Director
 General Manager of Management Headquarters
 (Telephone: +81-76-213-5161)

Notice Regarding the Formulation of Medium-Term Management Plan 2029

System Support Holdings Inc. (the “Company”) has reviewed its Medium-Term Management Plan in light of the results for the fiscal year ended June 2026 and changes in the business environment, including advances in AI. As a result, the Company has formulated a new three-year Medium-Term Management Plan, “Medium-Term Management Plan 2029 (FY6/2027 to FY6/2029),” and hereby announces the details as follows.

1. Background to the Formulation of the Medium-Term Management Plan

On August 6, 2025, the Company announced its three-year Medium-Term Management Plan, “Rolling Plan (FY6/2026 to FY6/2028).” Under that plan, the Company worked to expand businesses centered on its cloud integration business and to strengthen its revenue and human resources bases under the medium-term theme of “Growth and the creation of further innovation.”

In FY6/2026, operating profit exceeded the plan, supported by the expansion of AI- and cloud-related services and contributions from M&A. At the same time, the business environment surrounding the Group has changed significantly due to advances in AI. The Group views these changes not as risks, but as growth opportunities arising from the expansion of IT demand premised on the use of AI.

In formulating this plan, the Group reviewed its medium- to long-term vision and growth strategy in light of growth opportunities and changes in the business environment in the AI era. As a result, the Group has formulated “Medium-Term Management Plan 2029,” positioning its Vision as “Empower customer and societal growth and transformation, creating sustainable value”, and aims to achieve both net sales growth and higher profitability.

2. Overview of Medium-Term Management Plan 2029

(Vision)

Empower customer and societal growth and transformation, creating sustainable value

(The Three Pillars Supporting Our Vision)

- Evolution of Provided Value

Expanding our provided value to include the domains of AI, data, and business transformation enables us to provide frontline support for our customers' growth and transformation

- Strengthening Competitive Advantages

Strengthening customer insights and implementation capabilities that span AI, data, and the cloud

- Improving Value Creation Capabilities

Achieving sustainable profit growth by strengthening our workforce foundation and increasing profit per employee

3. Medium-Term Management Indicators (Consolidated)

Unit: 1 million yen

	FY6/2026 (Actual)	FY6/2029 (Planned)
Net Sales	31,091	43,618
Operating Profit	2,966	4,513
Operating Margin	9.5%	10.3%

-End-

Medium-Term Management Plan 2029 (FY6/2027 to FY6/2029)

System Support Holdings Inc. (Securities Code: 4396)

August 12, 2026

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.

Contents

▶	1.	Medium-Term Management Plan 2029 - Summary	
▶	2.	Background Behind the Formulation of the Medium-Term Management Plan 2029	
▶	3.	Vision for the Term of This Medium-Term Management Plan	
▶	4.	Medium-Term Management Indicators (Consolidated)	
▶	5.	Sources of Competitive Advantage Underpinning our Growth Strategy	
▶	6.	Business Portfolio Strategy	
▶	7.	Cloud Integration Business Driving Growth	
▶	8.	Enhancing Value Creation Capabilities Through Human Capital Management	
▶	9.	Investments to Drive Growth	
▶	10.	Shareholder Returns (Dividend Policy)	
▶	11.	Management Conscious of Cost of Capital and Stock Price	
▶	12.	Sustainability Management to Support Sustainable Growth	
▶	13.	Reference Materials	

Medium-Term Management Plan 2029 Summary

Given the business environment in the age of AI, we will go beyond simply updating our plans as an extension of past strategies and instead overhaul our vision and growth strategy.

Empower customer and societal growth and transformation, creating sustainable value

◆ Changes we aim to achieve through the Medium-Term Management Plan 2029

Areas	Previous Medium-Term Management Plan (Announced in August 2025)	Medium-Term Management Plan 2029
① Business Areas	Support for cloud introduction and utilization, system development	AI and data utilization, business transformation support
② Providing Value	Resolving IT challenges	Realizing corporate growth and transformation
③ Profit Growth	Increased staffing and project volume	Increasing added value and improving productivity
④ Adapting to AI	Expansion of the AI-related service lineup	Turning AI into a driver of profit growth

◆ Medium-Term Management Indicators (Consolidated)

Unit: 1 million yen

	FY6/2026	FY6/2029 (Planned)	Change	CAGR
Net sales	31,091	43,618	+12,526	11.9%
Operating profit	2,966	4,513	+1,546	15.0%
Operating margin	9.5%	10.3%	-	-

Background Behind the Formulation of the Medium-Term Management Plan 2029

◆ Review of the first year of the rolling plan

Numerical projections	■ Sales: -2.8% of projection at the start of the period, -3.0% of revised projection; Operating profit: +10.4% of projection at the start of the period, +4.4% of revised projection ■ Post-merger integration (PMI) for the one M&A transaction completed at the start of the period is progressing smoothly and contributing to sales and profits
Major results	■ Cloud-related services such as ServiceNow and Google Cloud are expanding, and AI-related projects are also on the rise ■ Promoting the streamlining of development operations through the use of AI ■ Strengthening our organizational structure through the recruitment and training of cloud engineers

◆ Background when Formulating the Medium-Term Management Plan 2029

External Environment:

- IT demand based on AI is growing (cloud, data infrastructure, business process transformation)
- Against the backdrop of a shortage of digital transformation (DX) and AI professionals, demand for external partners continues to grow
- AI is driving greater efficiency in the development process, which may create downward pressure on prices for labor-hour-based business models

Our Group's Perspective:

- We view the expansion of IT demand based on AI as a growth opportunity and aim to achieve both sales growth and improved profitability (Basic Policy of the Plan)

Vision for the Term of This Medium-Term Management Plan

Vision for the Term of This Medium-Term Management Plan

Empower customer and societal growth and transformation, creating sustainable value

The Three Pillars Supporting Our Vision

1 Evolution of Provided Value

Expanding our provided value to include the domains of AI, data, and business transformation enables us to provide frontline support for our customers' growth and transformation

2 Strengthening Competitive Advantages

Strengthening customer insights and implementation capabilities that span AI, data, and the cloud

3 Improving Value Creation Capabilities

Achieving sustainable profit growth by strengthening our workforce foundation and increasing profit per employee

Medium-Term Management Indicators (Consolidated)

- ◆ **Through the expansion of our cloud, AI, and data businesses, enhancements to the value we provide, and productivity improvements, we will achieve both sales growth and improved profitability**

Drivers of Sales Growth

① Increase in the number of projects in the AI, data, and cloud sectors

Starting with cloud migration, we are expanding the scope of our proposals to include AI and data utilization as well as business system upgrades, thereby increasing both our customer base and the average transaction value per customer

② Expanding recurring revenue

Expanding recurring revenue through cloud resale, outsourcing, and our own products

Drivers of Improved Profitability

① Expansion into high-value-added areas

Focusing on assigning personnel to high-value-added fields such as AI, data, and cloud computing

② Enhancing the value we provide

Deeply engaging in solving customer challenges through strategic planning, design, and business transformation support

③ Improving development productivity

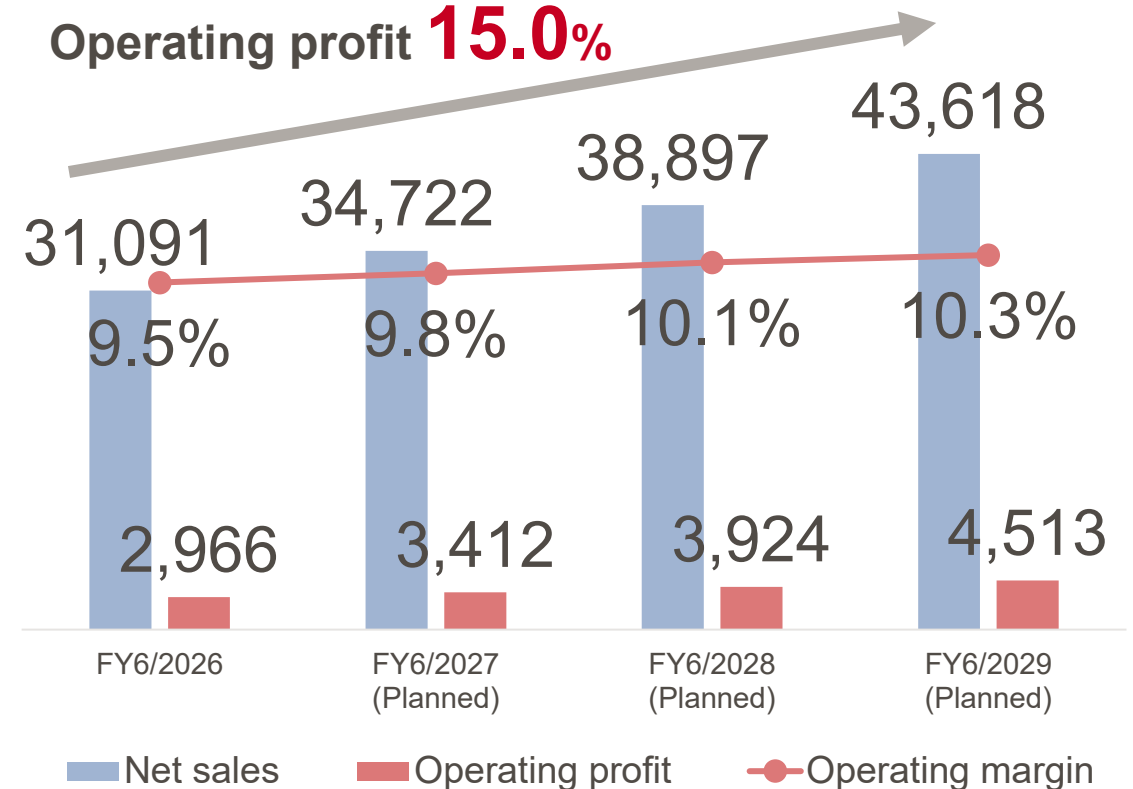
Improving productivity by leveraging AI, standardization, and automation

2026-2029 CAGR

Net sales **11.9%**

Operating profit **15.0%**

Unit: 1 million yen



← Medium-Term Management Plan 2029 →

Sources of Competitive Advantage Underpinning our Growth Strategy

- ◆ **Leveraging our strengths in customer insights, technical capabilities, the ability to deliver cutting-edge services, and a comprehensive support system, we address the needs of companies for growth and transformation in the AI era**

Corporate Challenges in the Age of AI

- Lack of data infrastructure compatible with AI
- Security and governance measures
- Systems fragmented by department
- Shortage of IT and digital transformation specialists

Sources of Our Group's Competitive Advantages

Customer insights

In-depth understanding of customer operations based on a direct-to-end-user transaction ratio of 74.8%*

Technical capabilities

Implementation capabilities spanning cloud, data, AI, and business applications (see page 21-22 for details)

Ability to deliver cutting-edge services

Domestic deployment of cutting-edge technologies and services through our Silicon Valley hub and R&D efforts

Comprehensive support system

A support system that works side-by-side with customers from the proposal stage through implementation, operation, adoption, and business transformation

* Based on System Support Inc.'s revenue for FY June 2026.

Business Portfolio Strategy

◆ Achieving Group-wide growth by leveraging the cloud integration business as a growth engine and capitalizing on the strengths of each business

* Growth amount from FY June 2026 (Actual) to FY June 2029 (Plan) (consolidated)

Cloud Integration Business Net Sales: +7,775 million yen; Segment Profit: +1,126 million yen

Growth Engines

While expanding our AI and data businesses, we will secure recurring revenue through resale (resale of cloud services) to drive growth in the Group's sales and profits.

System Integration Business

Net Sales: +3,039 million yen; Segment Profit: +148 million yen

Customer Base and Demand Generation

Leveraging our customer base and customer insights to create and expand demand for transformation in the AI era.

Product Business

Net Sales: +764 million yen; Segment Profit: +165 million yen

High-Profit, Recurring Revenue Model

Contributing to improved profit margins by expanding sales of monthly subscription-based products and increasing usage among existing customers.

Outsourcing Business

Net Sales: +775 million yen; Segment Profit: +29 million yen

Stable Revenue Base

Strengthening subscription-based services, with a focus on data centers, to build a stable revenue stream.

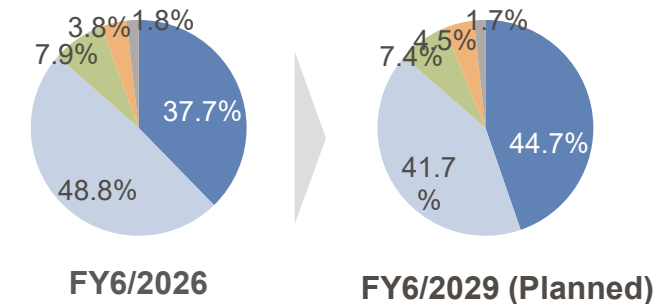
Overseas Business

Net Sales: +171 million yen; Segment Profit: +19 million yen

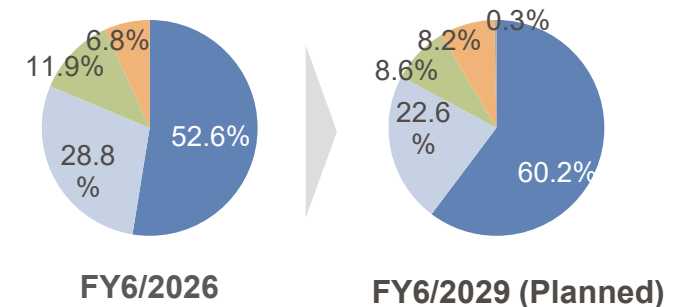
New Business Creation

In addition to expanding the Group's overall service lineup through research on cutting-edge IT trends in North America, we aim to establish a structure capable of consistently generating profits on its own

■ Net Sales*¹ Composition Ratio (Consolidated)



■ Segment profit*² composition ratio (Consolidated)*³



■ Cloud Integration Business
■ System Integration Business
■ Outsourcing Business
■ Product Business
■ Overseas Business

Cloud Integration Business Driving Growth

- ◆ **With our cloud integration business serving as a growth engine, we will drive growth by expanding our AI and data capabilities and increasing recurring revenue**

● Growth strategies

① Expansion into high-value-added areas

Expanding our scope of services to high-value-added areas related to the cloud, including AI infrastructure, data infrastructure, data integration and analysis, and business transformation support

AI utilization, data infrastructure, data integration, business transformation

② Enhancing support for multi-cloud data infrastructure

Strengthening integration with major cloud and data infrastructure services to provide optimal solutions tailored to customer needs

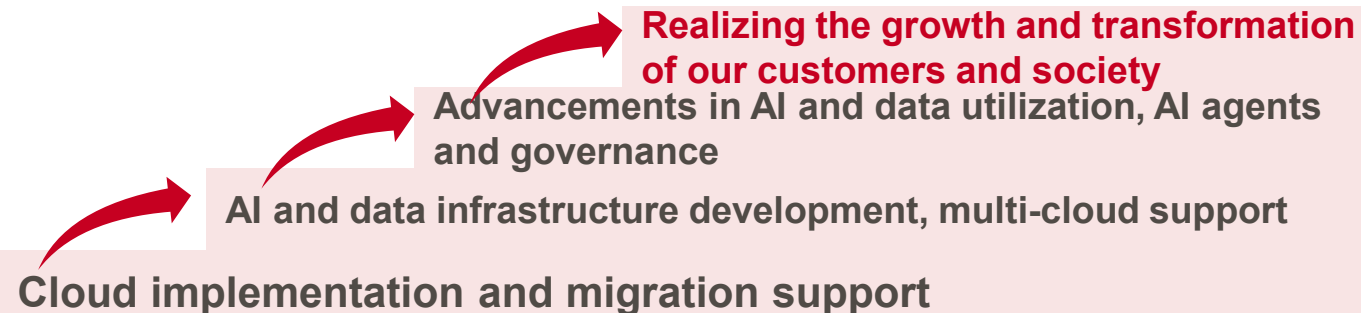
ServiceNow, AWS, Google Cloud, Microsoft Azure, Snowflake

③ Strengthening recurring revenue

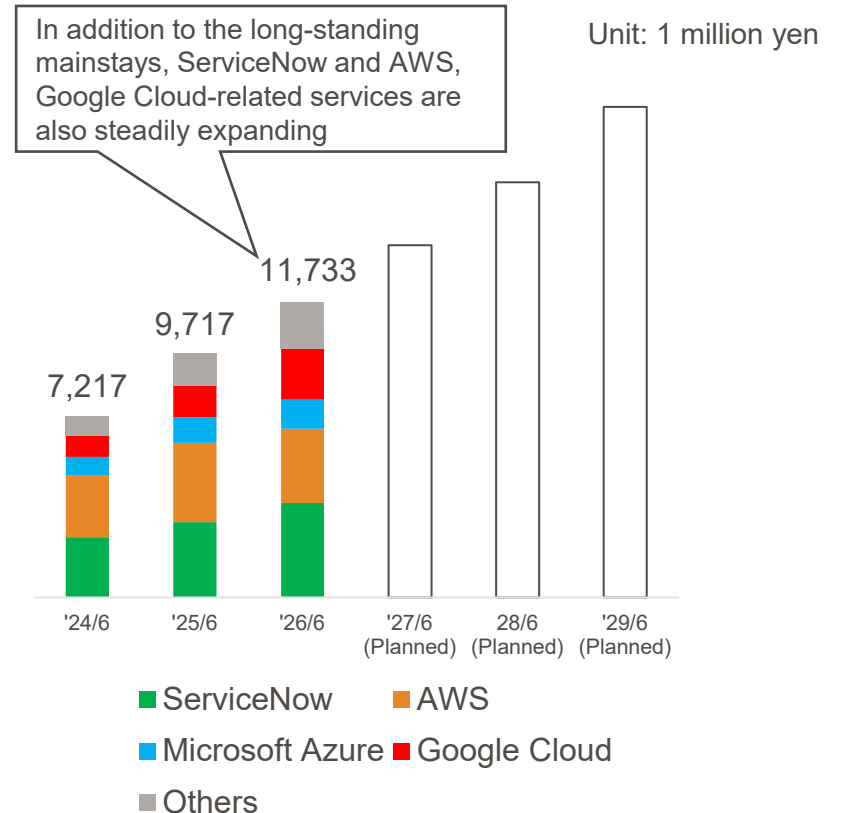
Strengthening a revenue structure in which sales and profits grow in tandem with customers' expanding use of cloud and AI through cloud resale, operations, monitoring, and ongoing usage support

Resale, operation, monitoring, continued use

● Expansion of Support Areas



■ Cloud Integration Business Sales



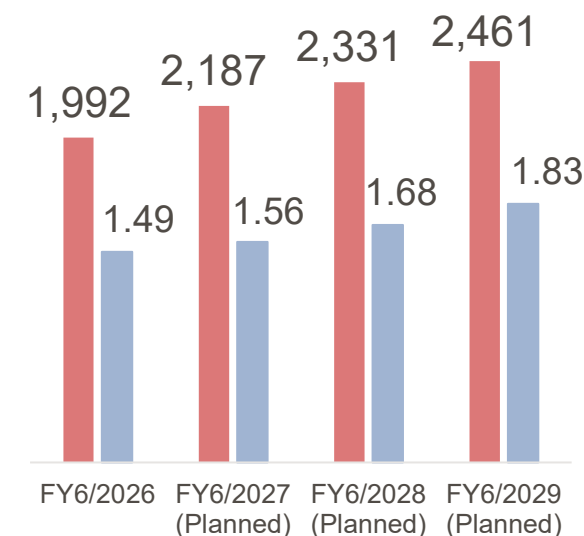
Enhancing Value Creation Capabilities Through Human Capital Management

- ◆ **We view human resources as the driving force behind our business growth and are maximizing our ability to create value over the medium to long term by strengthening our workforce, particularly in the cloud and AI sectors**



■ Human Resources Plan

Under this plan, we aim to achieve sustainable profit growth by systematically securing employees essential for business growth, while improving productivity and increasing profit per employee.



■ Number of employees (persons)
■ Operating profit per employee (million yen/persons)

Investments to Drive Growth

◆ **To strengthen our business foundation and achieve future growth, we will continue to make upfront investments, focusing on human resources, research and development, and M&A**

■ Key areas for growth investment

Investment in human resources

In order to strengthen our workforce foundation, promote human resources development, and drive technological transformation, we are investing in initiatives to enhance our competitiveness, such as recruitment and obtaining certifications primarily in the AI and cloud sectors

Investment in research and development

We are focusing our efforts on exploring ways to develop and enhance services, with a particular emphasis on AI and cloud-related technologies

M&A investment

We are proactively implementing measures to expand our service portfolio and resources in growth areas

*M&A transactions from July 2024 to July 2026: 4 transactions (see page 19)

* M&A-related expenses include brokerage fees, advisory fees, due diligence costs, and other expenses incurred in connection with the evaluation and execution of transactions. They do not include consideration transferred.

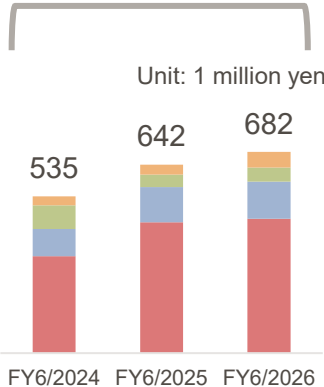
■ Value creation cycle through growth investment



■ Investment-related expenses aimed at achieving growth

FY6/2024 to FY6/2026
(Cumulative)

1.86 billion yen



FY6/2027 to FY6/2029
(Planned / Cumulative)

Approx. 2.3~2.7 billion yen

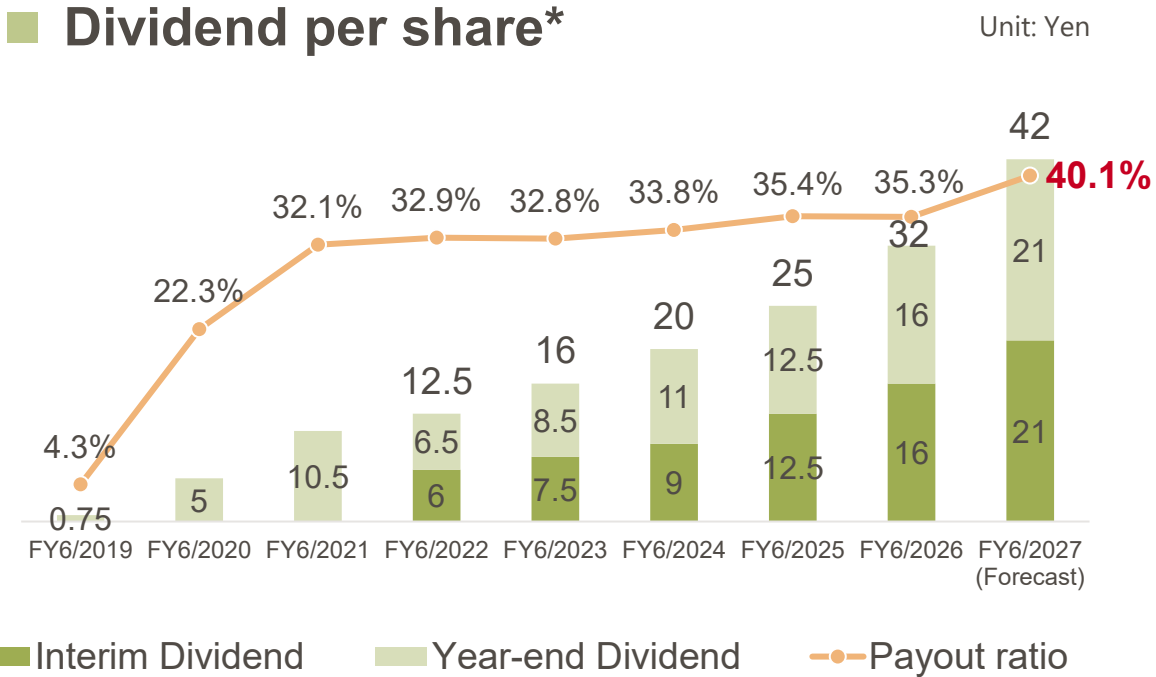


Shareholder Returns (Dividend Policy)

◆ Our basic policy is to continue to pay progressive dividends to shareholders, with a target consolidated dividend payout ratio of 40% or more, while investing in future growth and strengthening our management structure.



To more clearly demonstrate its commitment to balancing growth investments and shareholder returns, the Company has newly set a target **consolidated dividend payout ratio of 40% or more**, starting from FY6/2027.



*The Company implemented a 2-for-1 stock split of its common stock on June 1, 2020, and January 1, 2026, and the related figures have been retroactively adjusted.

Management Conscious of Cost of Capital and Stock Price

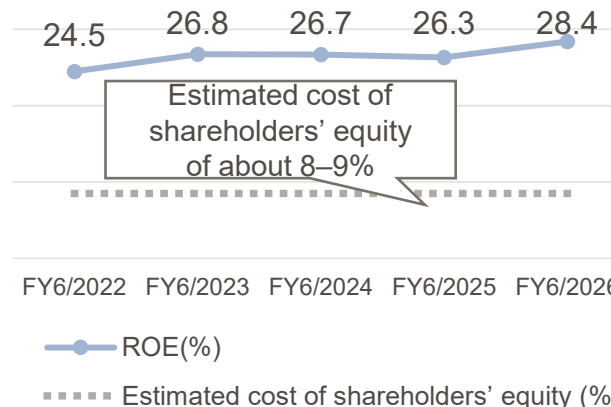
- ◆ **While maintaining a high ROE, the Group will continue initiatives to enhance corporate value and aim to build a market capitalization level in light of the next TOPIX review.**

Initiatives to Enhance Corporate Value

While the Group maintains strong capital efficiency, its PER remains below the industry average. Through the steady execution of our Medium-Term Management Plan and enhanced communication and engagement with investors, we aim to further improve market valuation.

- ① **Maintaining ROE:** By achieving sustained growth in business performance as outlined in the Medium-Term Management Plan, while balancing growth investments with shareholder returns, we will maintain a general ROE of over 25% throughout the term of this plan
- ② **Gaining market recognition:** We will continue ongoing communication regarding the progress and results of our growth strategy, and strive to foster a better understanding of our Group's growth potential through dialogue with investors

■ ROE

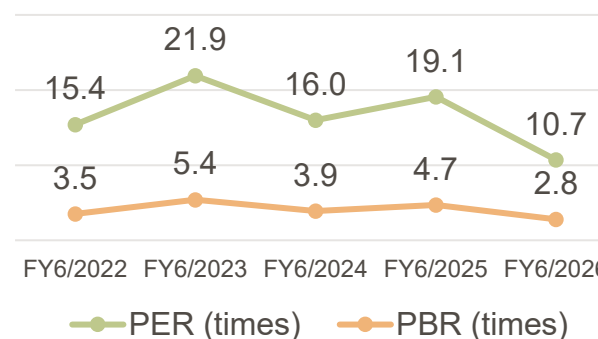


■ ROE

ROE has remained at around 26%, significantly exceeding both the Company's estimated cost of shareholders' equity and the average ROE of 18.8%* for Information & Communication companies listed on the TSE Prime Market.

* Estimated cost of shareholders' equity calculated from the CAPM and interviews with multiple investors

■ PER and PBR



■ PER

Recently, it is 10.7 times, which is below the average of 16.8 times*² for IT and telecom companies listed on the Tokyo Prime exchange

■ PBR

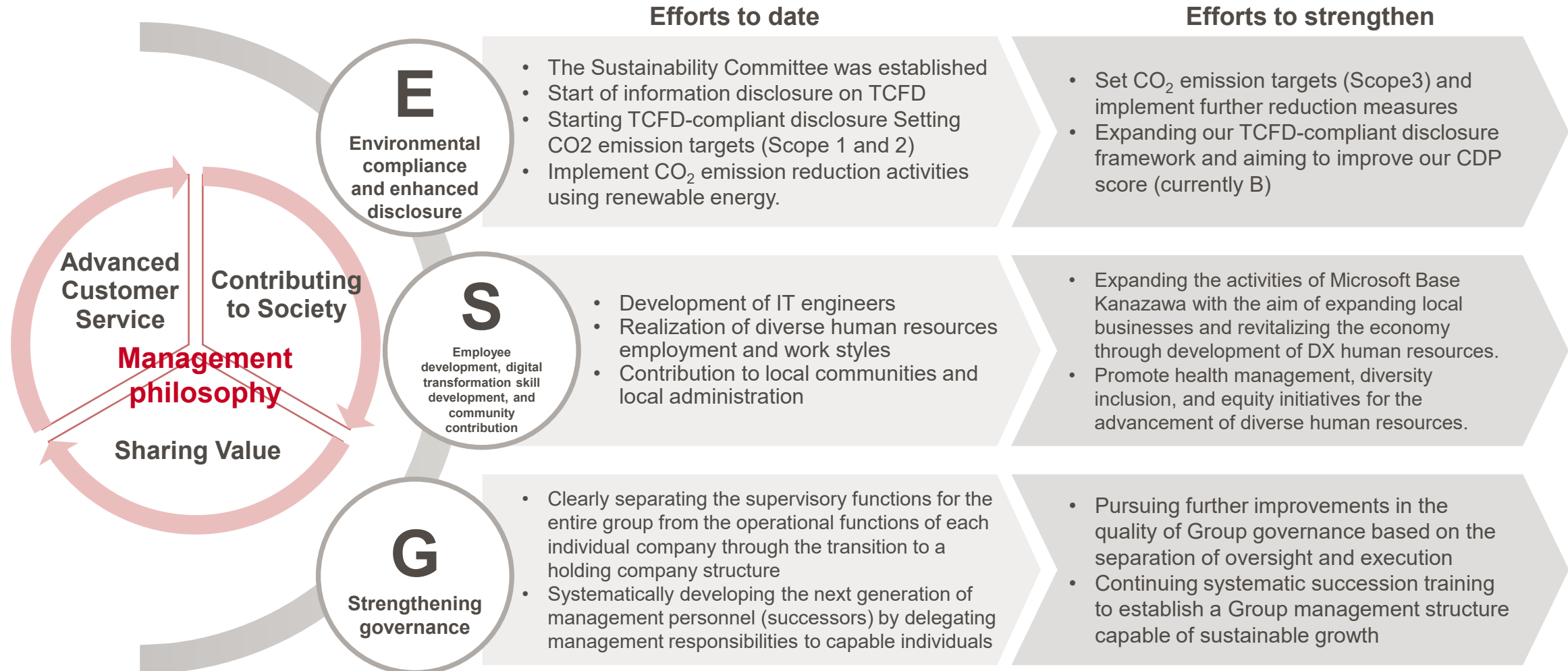
The trend is about 3~5 times, which is above the average of 1.9 times*² for IT and telecom companies listed on the Tokyo Prime exchange

*1 Source: Tokyo Stock Exchange Financial Results Summary Report (March 2026)

*2 Source: Tokyo Stock Exchange – PER and PBR by Company Size and Industry (Consolidated & Non-Consolidated) (June 2026), Simple PER and PBR

Sustainability Management to Support Sustainable Growth

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



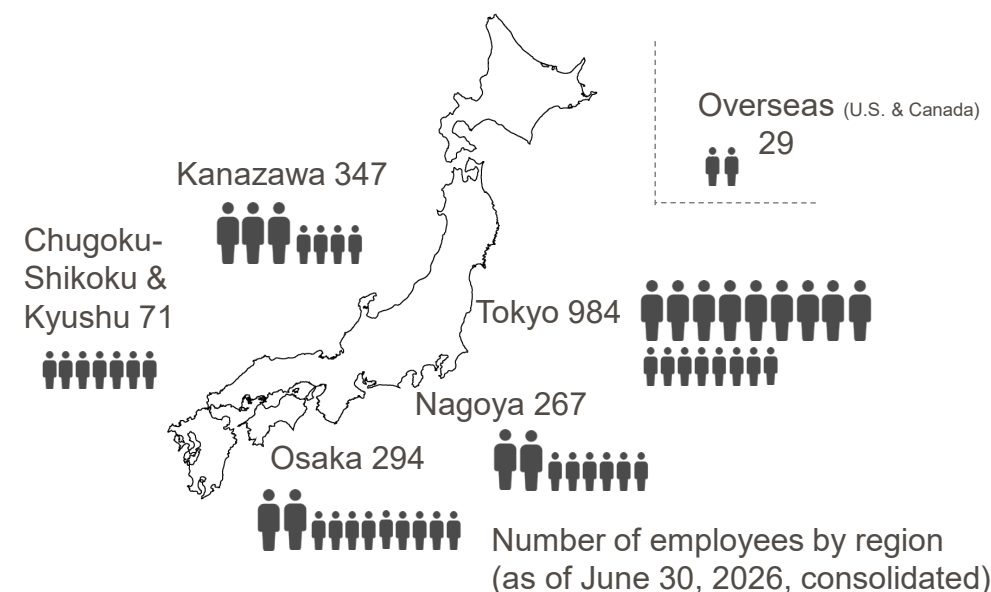
Reference Materials

- ▶ 1. Company Profile
- ▶ 2. Company Profile – Net Sales Trends and History
- ▶ 3. Review: FY6/2022 to FY6/2026
- ▶ 4. Recent Mergers and Acquisitions
- ▶ 5. Specific Measures to Improve Development and Productivity Through the Use of AI: Smart DevFlow
- ▶ 6. Partnerships with Major Vendors, Advanced Technical Certifications, and Awards
- ▶ 7. Major Technical Certifications and Awards Received by Our Group
- ▶ 8. Our Group's Areas of Technological Expertise in Growing Markets
- ▶ 9. FAQs (Impact of AI on the Group's Business)

Company Profile

Company name	System Support Holdings Inc.
Headquarters Location	9F Rifare, 1-5-2 Honmachi, Kanazawa-shi, Ishikawa Prefecture
Founded	January 1980
Stock Exchange Listing	Tokyo Stock Exchange Prime Market (securities code: 4396)
Capital	723 million yen
Net sales	31,091 million yen (FY6/2026, consolidated)
Representative	Ryoji Koshimizu, President and Representative Director
Number of employees	1,992 (as of June 30, 2026, consolidated)
Major Group Locations	Tokyo, Nagoya, Osaka, Kanazawa, Hiroshima, United States (Los Angeles, New York, San Jose(Silicon Valley), Houston), Canada (Vancouver, Toronto)

- The head office is located in Kanazawa City, and the center of business including employees and customers is Tokyo, Nagoya, and Osaka.
- 84% of employees are engineers

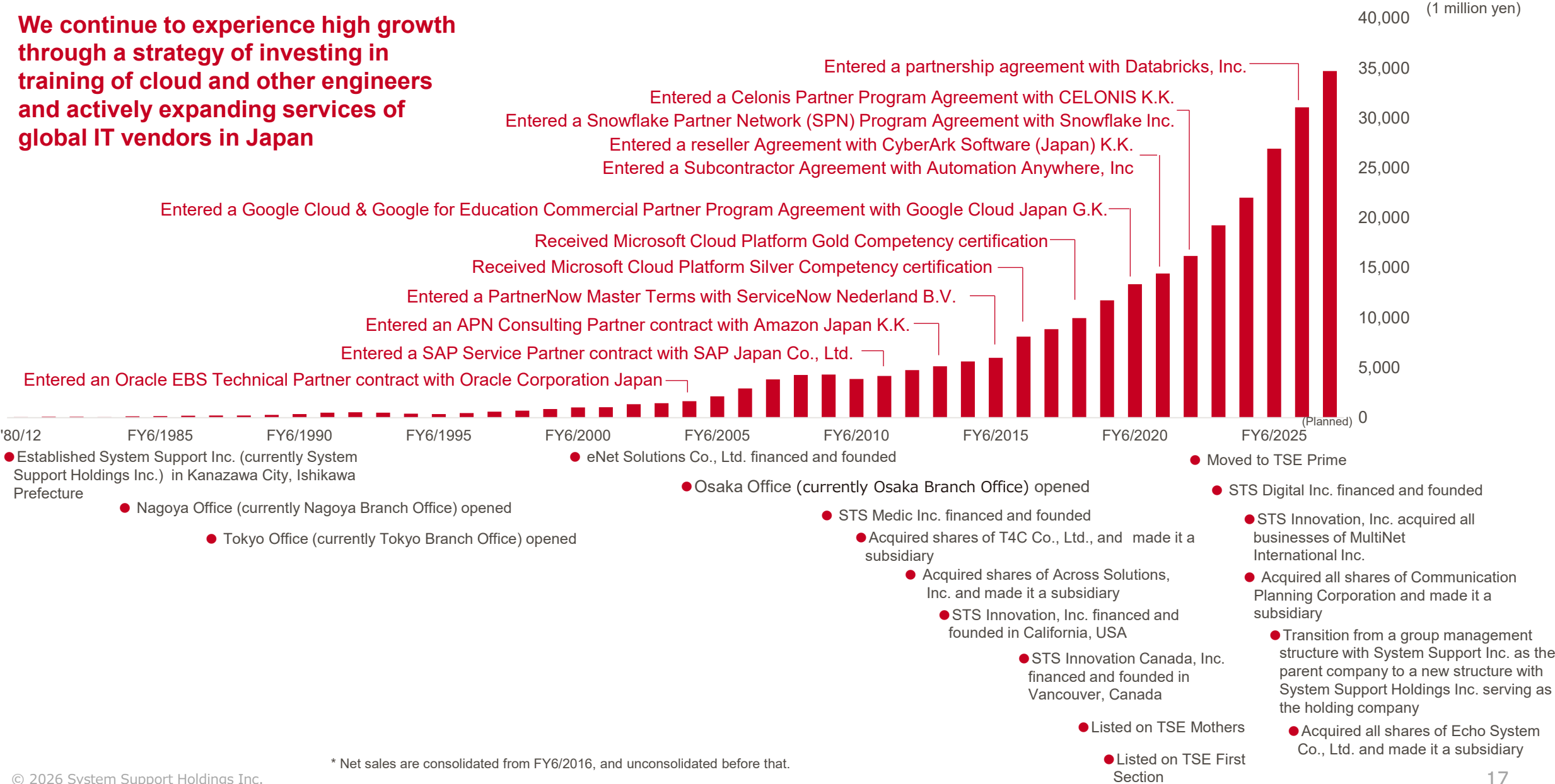


Business Overview

- **Cloud Integration Business**
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, construction of infrastructure such as Oracle database, and IT system consulting, design, development, operation, and maintenance
- **Outsourcing Business**
Our Group's private cloud and other data center services, data analysis and input, and near-shore system operation and maintenance
- **Product Business**
Development and sale of products (software) by Our Group, and customization according to user companies' applications
- **Overseas Business**
Overseas system integration, outsourcing of payroll and accounting services, recruitment services, and media management

Company Profile – Net Sales Trends and History

We continue to experience high growth through a strategy of investing in training of cloud and other engineers and actively expanding services of global IT vendors in Japan

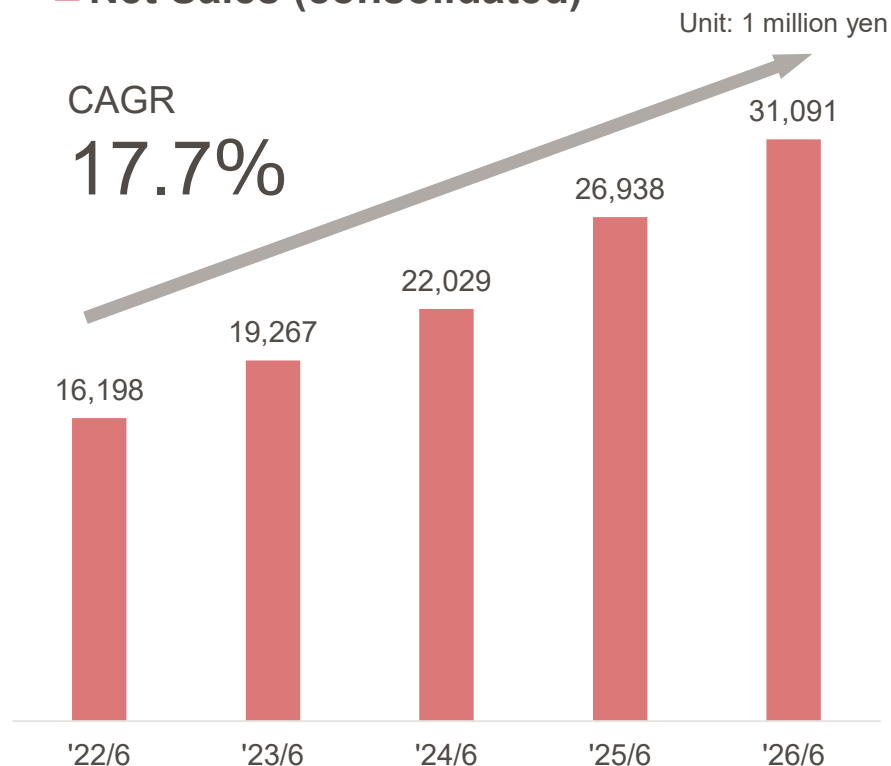


* Net sales are consolidated from FY6/2016, and unconsolidated before that.

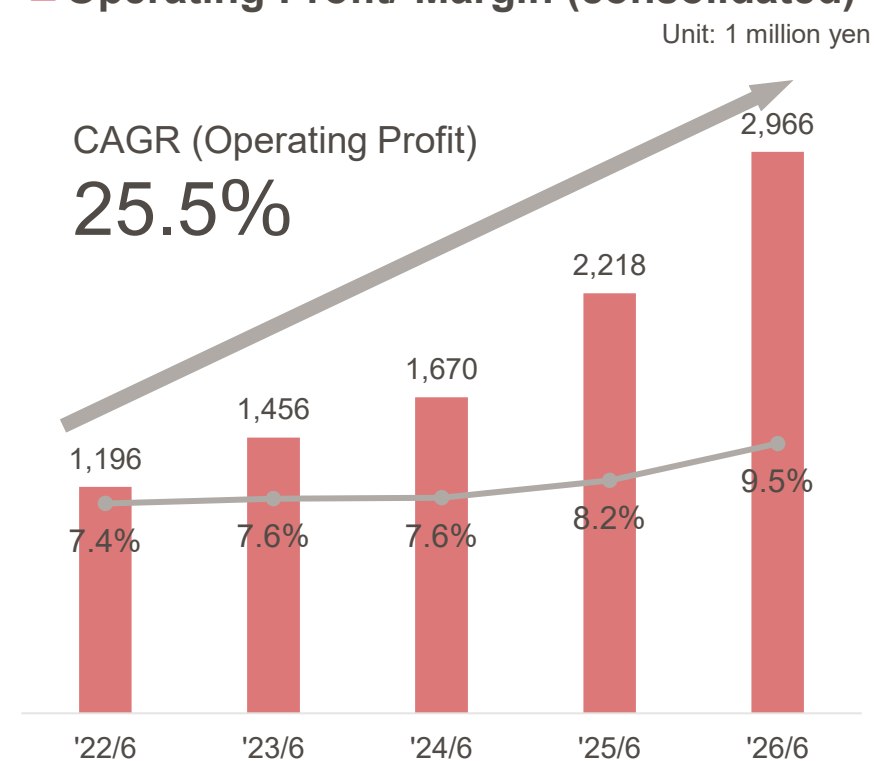
Review: FY6/2022 to FY6/2026

- ◆ Net sales were driven by Cloud-related business and CAGR was 17.7%.
- ◆ Operating profit grew at a CAGR of 25.5% and the operating margin increased by 2.1 percentage points due to the expansion of profitable businesses such as cloud-related businesses.

■ Net Sales (consolidated)



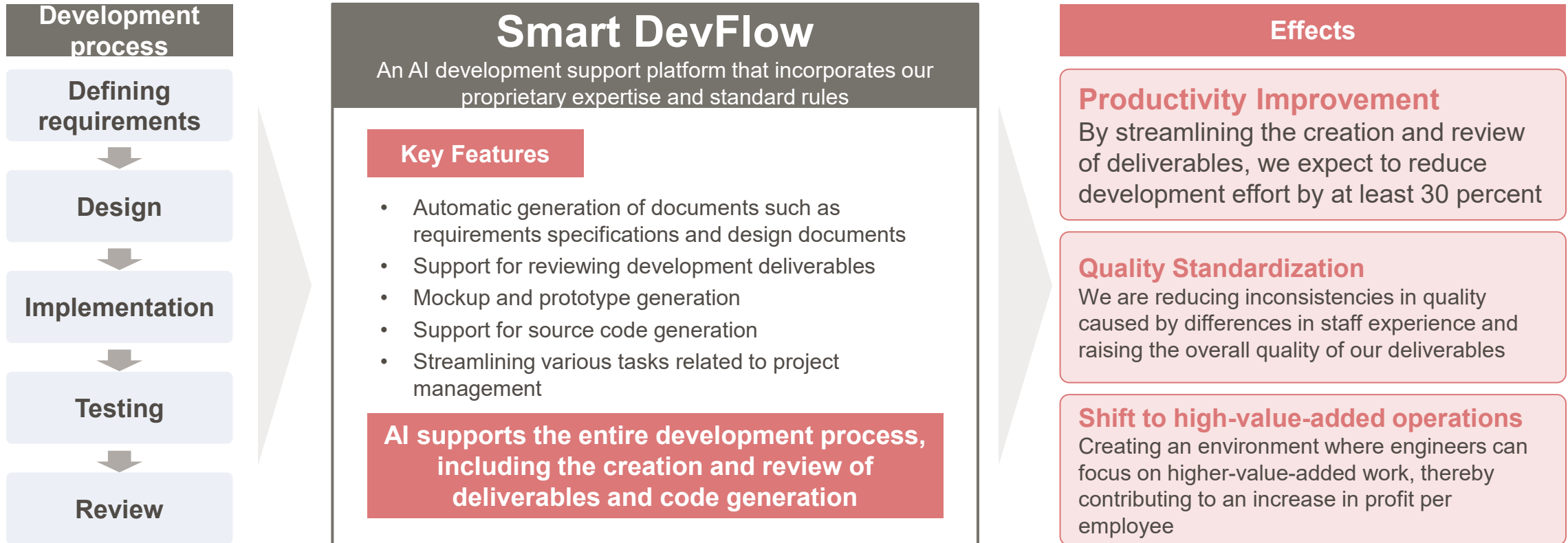
■ Operating Profit/ Margin (consolidated)



Recent Mergers and Acquisitions

Company Name	Main Office	Date Acquired	Acquisition Price (including advisory costs etc.)	Primary Reason for Acquisition	Performance	Number of Employees (when merged)
MultiNet International Inc.	New York, USA	July 1, 2024 (date business was transferred)	275 million yen	Reinforce the deployment of services to customers in the United States (East Coast, Midwest, South)	[FY12/2023 (prior to becoming a group company)] Net Sales: 2.69 million USD Operating Profit: 0.08 million USD * Merged with STS Innovation Inc. after the business was transferred	11
Communication Planning Corporation	Shibuya-ku, Tokyo	July 26, 2024	629 million yen	Expand service offerings and grow the business related to ERP implementation support	[FY3/2024 (prior to becoming a group company)] Net Sales: 605 million yen Operating Profit: 55 million yen	43
Echo System Co., Ltd.	Hiroshima	July 1, 2025	574 million yen	Reinforce the deployment of services to customers in western Japan	[FY7/2024 (prior to becoming a group company)] Net Sales: 1,415 million yen Operating Profit: 123 million yen	125
MIS Co., Ltd.	Kanazawa-shi, Ishikawa	July 1, 2026	17 million yen	Enhancing value for customers through the integration of the data center service platform and the company's development capabilities	[FY3/2026 (prior to becoming a group company)] Net Sales: 748 million yen Operating Profit: 32 million yen	34

- ◆ **We incorporate our development expertise and standard guidelines into AI to promote the standardization and streamlining of development processes and improve quality**



- Gradual application to actual projects began in July 2026.
- The plan is to initially focus on application development, and then expand the scope to infrastructure, data analytics, and AI-related areas

- ◆ **Leveraging our strong partnerships with major vendors such as ServiceNow, AWS, Google Cloud, and Microsoft, as well as our advanced technical certifications, we are strengthening our proposal and implementation capabilities in the AI and cloud sectors**

ServiceNow

Elite Partner

- Named Creator Workflow Partner of the Year at the Partner Awards in 2024 and 2025
- Achieved Validated Practice certification in the fields of App Engine, ITOM, ITSM, CSM and HAM

AWS

Advanced Tier Services Partner

- Earned Oracle Competency in the AWS Competency Program
- Received the APN Partner Award for Rising Star of the Year

Google Cloud

Sell & Service Premier Partner

- Earned the Application Development and the Data Analytics – Services Specialization in the Partner Advantage Program
- Named 2026 Google Cloud Partner of the Year

Microsoft Azure

Solutions Partner

- Achieved Gold Competency Certification in the Microsoft Cloud Platform
- Earned the top-tier partner certification AI Platform and Analytics on Microsoft Azure Specialization

Major Technical Certifications and Awards Received by Our Group

ServiceNow

- 2017** First Japanese company to be recognized as a Bronze Services Partner (currently an Elite Partner)
- 2024, 2025** Named Creator Workflow Partner of the Year at the Partner Awards
- 2026** Achieved Validated Practice certification in the fields of App Engine, ITOM, ITSM, CSM and HAM.

AWS

- 2014** Earned Oracle Competency in the AWS Competency Program
- 2015** Received the APN Partner Award for Rising Star of the Year
- 2023, 2026** Our Group employees were recognized as Japan AWS All Certifications Engineers

Google Cloud

- 2022, 2024, 2025** Earned the Application Development and the Data Analytics – Services Specialization in the Partner Advantage Program
- 2023 ~2025** Our Group employees received the Google Cloud Partner Top Engineer for consecutive years
- 2023, 2025** Our Group employees were named Google Cloud Partner All-Stars
- 2026** Named 2026 Google Cloud Partner of the Year

Microsoft Azure

- 2018** Achieved Gold Competency Certification in the Microsoft Cloud Platform
- 2020** Achieved Advanced Specialization in the “Migrating Windows Server and SQL Server to Microsoft Azure” category
- 2023** Certified as an Advanced Partner in the Azure OpenAI Service Reference Architecture Endorsement Partner Program
- 2023 ~2026** Our Group employees received the Microsoft Top Partner Engineer Award for consecutive years
- 2025, 2026** Earned the top-tier partner certification AI Platform and Analytics on Microsoft Azure Specialization

Automation Anywhere

- 2021** Received the Advanced Solution Award at the Automation Anywhere Japan Partner Awards 2021
- 2022**
 - Named 2022 Partner of the Year and received the Service Partner Award for the Asia-Pacific and Japan region
 - Became the first Japanese company to be certified as a Verified Services Partner under the Verified Services Partner Program
- 2026** Received the One Team One Goal APJ Partner of the Year 2026 Award

CyberArk

- 2025** Named CyberArk 2025 Services Delivery Partner of the Year (Japan Region)
- 2026** Received the CyberArk 2026 Top Certified Partner Japan and the 2026 Guardian Certified in Japan

Oracle

- 2007** Selected as one of Oracle Corporation Japan’s 20 New Technology Integrators
- 2007 ~2020, 2022 ~2025** Received Oracle Database-related awards, including the Oracle Certification Award
- 2026** Named Best Multi-Cloud Partner of the Year at the Oracle Japan Award 2026

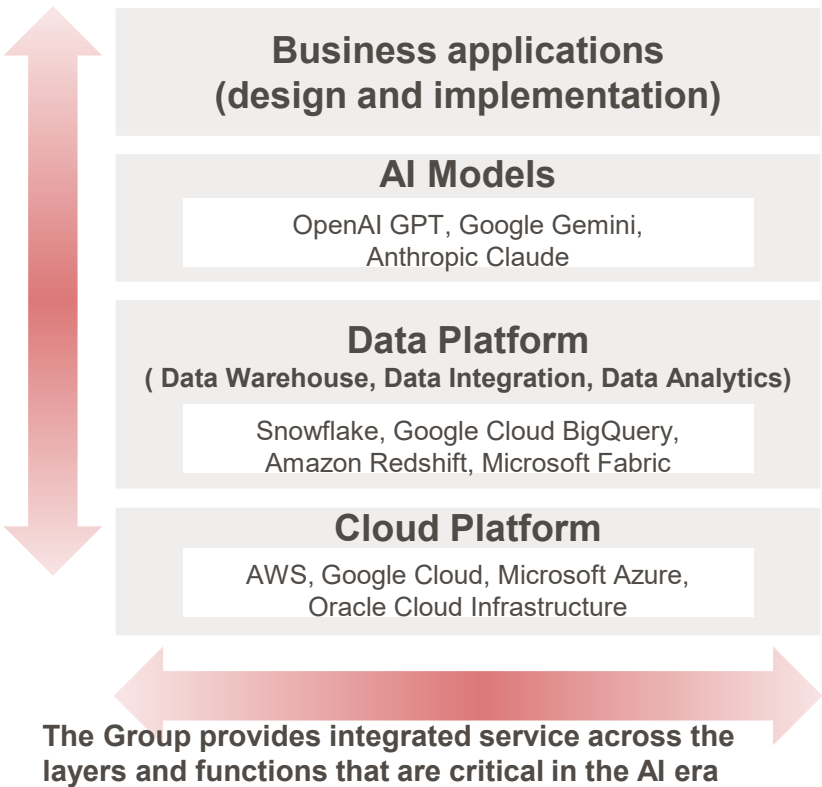
Snowflake

- 2025** Ranked No. 1 in The 1st SnowPro Award

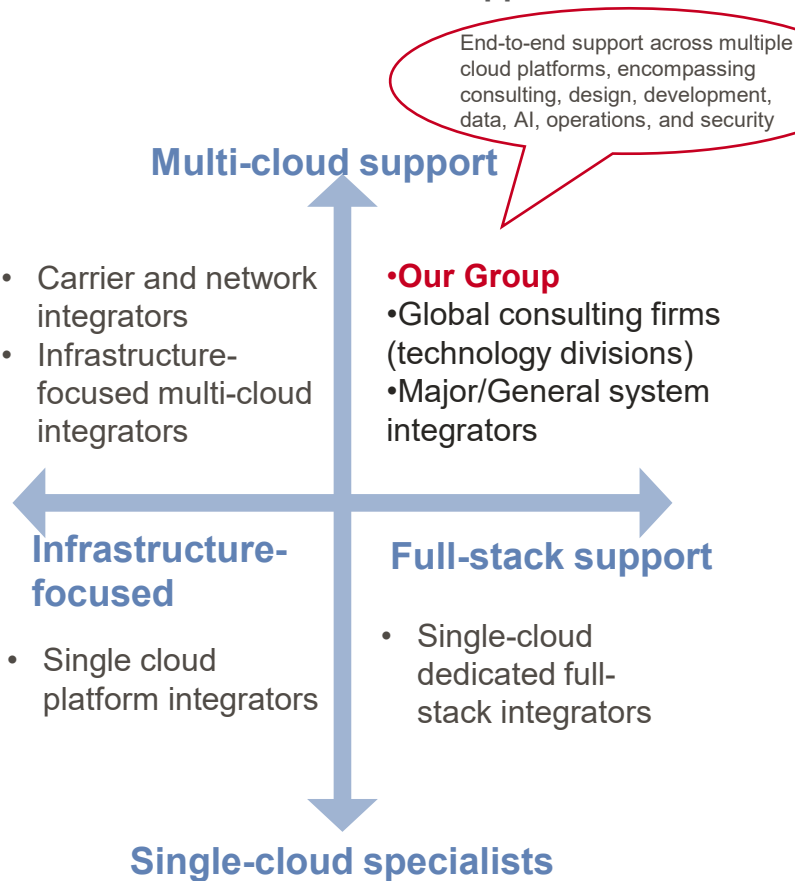
Our Group's Areas of Technological Expertise in Growing Markets

◆ **In the expanding cloud market, we leverage our strengths in multi-cloud and full-stack capabilities to provide support across AI, data, and business domains**

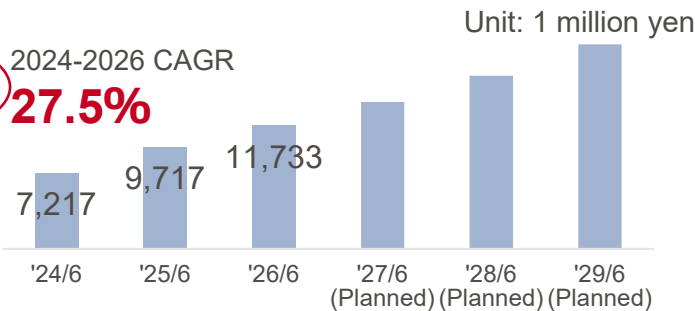
■ **Implementation capabilities spanning AI, data, and business operations**



■ **Multi-cloud × Full-stack support**



■ **Cloud Integration Business Sales**

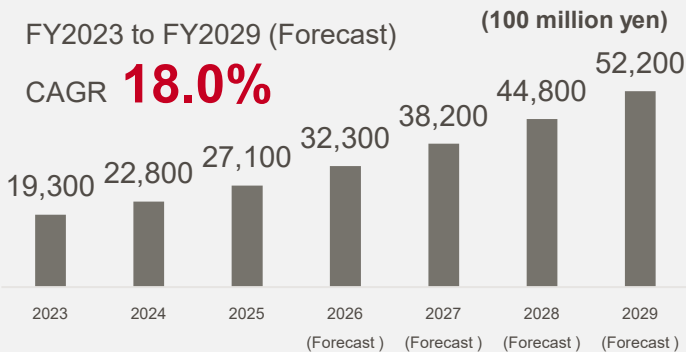


Expansion of the Cloud Market

■ **Cloud platform services (IaaS/PaaS) market trends and forecasts***

FY2023 to FY2029 (Forecast)

CAGR **18.0%**



Note 1: Business operator's net sales base

Note 2: Forecasts for 2026 and subsequent years

Note 3: Market size does not include Software as a Service (SaaS)

FAQs (Impact of AI on the Group's Business) (1)

1. Will advancement and adoption of AI reduce demand for SI (IT system architecture and operations)?

The Group expects AI to improve efficiency in certain stages of SI development processes. At the same time, the importance of modernizing systems designed around AI, as well as designing IT systems that integrate data and business operations, is increasing.

Demand for services related to cloud, data, and AI is increasing. Although the nature of SI demand may change, it is not expected to decline—it is likely to grow.

2. Will internal developments of SI by user companies reduce the need for the Group's services?

The Group expects its role to continue, in areas such as overall system design, multi-cloud integration, operations, and security, for large-scale, complex IT systems that support client businesses.

While corporate internal development is expected to progress, there is a shortage in both quality and quantity of talent capable of driving DX initiatives*. The Group's business model works directly with end users and engages from IT strategies, focusing on high-value areas where human expertise is still critical in the AI era.

*58.5% of companies reported a "significant shortage" in the quantity of DX talent, and 58.9% reported a "significant shortage" in its quality.

(Source: Information-technology Promotion Agency, Japan (IPA), Survey on Skill Transformation in the Digital Era (FY2024))

FAQs (Impact of AI on the Group's Business) (2)

3. Could AI-driven efficiency in SI operations lead to lower pricing and intensified competition?

While downward pressure on unit prices may emerge in the short term, the Group continues to shift toward a profit structure in which declining unit prices do not result in lower profit. Specifically, we are working to expand into high-value-added areas, enhance provided value, and improve productivity through the use of AI, as well as to grow recurring revenue streams such as cloud resales.

4. If AI improves the efficiency of SI operations, is increasing personnel necessary?

While expanding our workforce remains necessary, our policy is to shift the foundation of our growth from a headcount-driven approach to a two-pronged strategy that combines workforce expansion with improvement in profit per employee.

While AI is driving greater efficiency in routine development and testing processes, the importance of areas where people can add value, such as design based on an understanding of customer operations, data utilization, and the operation, adoption, and governance of AI systems after implementation, is increasing. Under this plan, while revising the pace of organic workforce growth from the previous annual rate of approximately 10% to approximately 5–6%, we aim to achieve sustainable profit growth by shifting human resources toward the AI, data, and cloud sectors, improving productivity through the use of AI, and expanding recurring revenue.

Disclaimer and Forward Looking Statements

- ◆ This document has been prepared by System Support Holdings 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, Corporate Planning Headquarters, System Support Holdings Inc.
TEL: 076-213-5161 E-mail: ir@sts-hd.co.jp

Thank you

