

KEYWARE TIMES

Annual Report 2025

60th Term Business Report
Year Ended March 31, 2025

Special Feature

Our 60-year History



IT can create it.

Keyware Solutions Inc.

TSE Standard Market Stock Code: 3799



Message from the President

Under our new purpose, we will continue to work on achieving the Medium-term Management Plan “Vision 2026” and enhancing corporate value.

President & CEO

Masahiro Inoue



Thanks to your support, in May 2025, the Group celebrated its 60th anniversary since it was first established. We would like to express our gratitude to everyone who has been supporting us, including all shareholders and investors.

Under our five-year Medium-term Management Plan “Vision 2026,” the Group has been working on business expansion and high profitability based on the three basic policies of “Qualitative Transformation of Foundational Businesses,” “Expansion of Primary Contract^{*1} Businesses,” and “Taking on New Domains.” In the fiscal year ended March 31, 2025, marking the 3rd year of the plan, in addition to expanding the use of products and cloud services for “Qualitative Transformation of Foundational Businesses” and further promoting collaboration between the three companies^{*2} that entered into a capital and business alliance in 2021, we also continued to work on expanding the number of contract projects and controlling unprofitable projects. For the “Expansion of Primary Contract Businesses,” in addition to actively promoting proposal activities for the renovation of core systems using ERP packages, we also strengthened our infrastructure construction systems with the aim of both responding to customer cloud migration needs and expanding the provision of integrated solutions ranging from system development to infrastructure construction. We also actively developed our offering of DX promotion consulting and digital solutions to assist in resolving issues faced by companies that are working to achieve DX. In terms of “Taking on New Domains,” in addition to promoting initiatives for the participation in next-generation cucumber production businesses in the ICT for agricultural industry, we also participated in the joint-development of “Digital Shelter,” a cyber resilience service that uses blockchain technology, as part of our efforts in the digital finance domain.

As a result of these initiatives, for the fiscal year ended March 31, 2025, we were able to bring in orders of 21,619 million yen (up 648 million yen or 3.1% from the same period

of the previous fiscal year) and to achieve net sales of 21,101 million yen (up 589 million yen or 2.9%), operating income of 921 million yen (up 47 million yen or 5.4%), and net profit attributable to parent shareholders of 1,031 million yen (up 302 million yen or 41.4%).

The Group officially announced its new purpose of “Open the door to the future with reliable technology and imagination” having reached a milestone that marks its 60th anniversary. This purpose signifies the Group’s reason for existing, and provides a guideline for the actions of each and every employee. Under this philosophy, we will continue to accelerate initiatives to achieve the Medium-term Management Plan “Vision 2026” and aim to further enhance the corporate value.

We will also continue to actively work to increase shareholder returns in order to share these results with all of our shareholders. Dividends for the fiscal year ended March 31, 2025 were increased by 12 yen from the previous fiscal year to 32 yen (dividend payout ratio of 25.1%). For the fiscal year ending March 31, 2026, we plan to increase dividends by 2 yen to 34 yen (dividend payout ratio of 35.5%) and will introduce a new shareholder benefit plan.

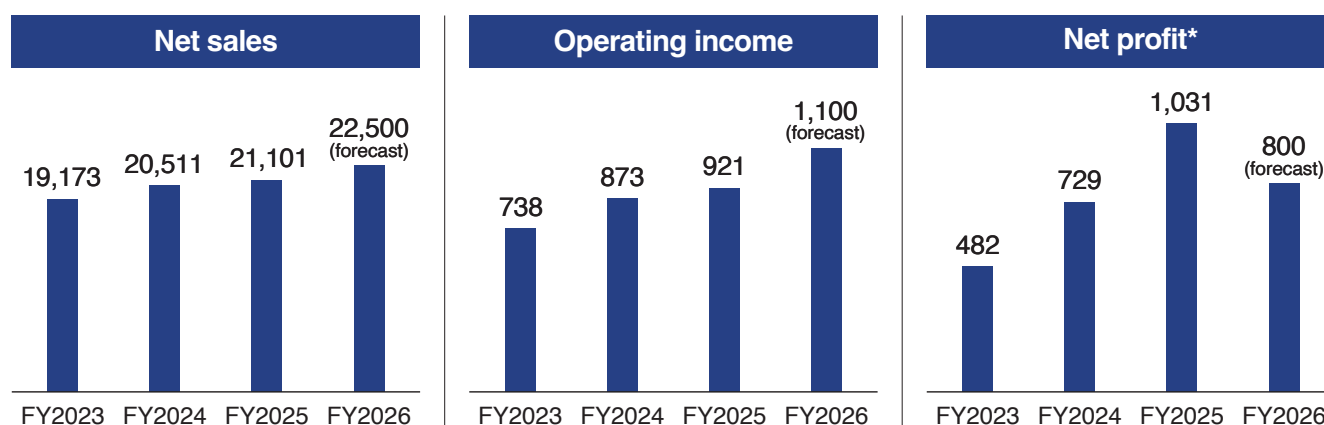
Through these type of initiatives, we will continue to respond to the expectations of all shareholders and aim to build a long-term relationship of trust. We hope for your continued support of our shareholders and investors in the future ahead.

*1 JR East Information Systems Company, Kanematsu Electronics Ltd., and Canon Marketing Japan Inc.

*2 The “primary contract businesses” is the business in which the Group provides services and solutions under direct contracts with customers.

Highlights of consolidated business performance

(Unit: million yen, rounded down)



* Refers to net profit attributable to owners of parent.

► More detailed information on our consolidated financial results is presented in our results briefing video. Please use the QR code on the back cover of this pamphlet to access the video.

Our 60th anniversary, thanks to your support

Our 60-year History

Since the Group was founded, we have continued to contribute to building information systems that support social infrastructure with the changes in IT. As we also continue to focus on the changing times ahead, we will challenge new domains that use digital technology and contribute to the evolution of society and business.



Logo celebrating our 60th anniversary
The logo celebrating our 60th anniversary was selected after receiving in-house submissions and voting on them. The number 60 forms the shape of two people, representing our intention to walk together into the future.

1965 to 1980s

Dispatching technicians in the early days of IT, achieving results and receiving recognition through outsource development

May 1965

Established Nippon Electronics Development Co., Ltd. (currently known as Keyware Solutions)



September 1974

Provided support and collaboration in the software sector for test rocket launches conducted by the National Space Development Agency of Japan (NASDA), and entered at full-scale into the software system development business in the field of space development

1983

Started sales of Medlas series, a package software for medical institutions

December 1988

Approved by the Ministry of International Trade and Industry (MITI) as an SI company (one of the 1st certified companies)

1990 to 2000s

Established as a system integrator, evolving into an IT solutions company

October 1994

Collaborated with SAP Japan to launch the ERP (R/3) business

September 1999

Acquired ISO9001 certification for the entire company

January 2001

Changed the company name to "Keyware Solutions Inc."

April 2002

Received the SAP AWARD OF EXCELLENCE for the 4th year running from SAP Japan Co., Ltd.

April 2003

Established "Keyware Hokkaido Inc.," "Keyware Nishinippon Inc." and "Keyware Kyusyu Inc." (subsidiaries)

June 2006

Listed shares on the JASDAQ Securities Exchange

March 2008

Listed shares on the Second Section of the Tokyo Stock Exchange

April 2008

Made "CREVA SYSTEMS Co., Ltd." into a subsidiary



1965

1980

1990

2000

Changes
in IT

Progress of information processing

Progress of client server distributed processing

Widespread Internet use

Expansion of operational system building

Expansion of networking and outsourcing

May 2025

Celebrating our 60th anniversary

On the occasion of our 60th year anniversary, we have formulated our purpose and values. Under the new philosophy, we will continue to evolve with the times.

Purpose

Open the door to the future with reliable technology and imagination.



Values

— Four keys for opening the door to the future —

🔑 Challenge

Taking on challenges is the key to growth and development.
Take a step forward to meet your new self.

🔑 Enjoy

Enjoyment is the key to ideas and creativity.
Let your spirit soar to discover new value.

🔑 Teamwork

Teamwork is the key to smiles and success.
Let's join our hearts to experience greater joy together.

🔑 Integrity

Integrity is the key to empathy and trust.
Let's face each other honestly to build strong bonds.

2010 to 2020s

Taking on the challenge of the DX age, responding to new technology and markets

February 2010

Entered a special agreement with NTT DATA INTRAMART Corporation concerning the sale of Biz f (Biz Integral) solutions

June 2011

Started providing "IFS Applications", ERP package software from IFS Japan K.K.

July 2012

Started the "Personal Health Record Solution LifeRoute" service

March 2015

Started providing the "OGAL" series, an agricultural ICT solution

July 2019

Entered a capital and business alliance agreement with HBA Corporation

May 2021

Entered a capital and business alliance agreement with Kanematsu Electronics Ltd. Entered a capital and business alliance agreement with Canon Marketing Japan Inc.

August 2021

Established "OGAL Inc." (subsidiary)



November 2021

Entered a capital and business alliance agreement with JR East Information Systems Company

July 2022

Established "Keyware Tohoku Inc." (subsidiary)

2010

2020

2025

Expansion of cloud and mobile

Full-scale use of AI

Expansion of data use and SNS

Expansion of AI use

Keyware Up Close

Keyware Up Close

Introducing business expansion and initiatives of the Keyware Group

Corporate

- **Group restructuring to strengthen frameworks for providing services**

Due to restructuring within the Group, CREVA SYSTEMS Co., Ltd. absorbed and merged with Keyware Service Inc., and we integrated part of our System Integration Business as well as consulting services for promoting DX.

By combining the strengths of each company, we will continue to build frameworks that provide services with high added value, and aim to strengthen the competitiveness of the entire Group and achieve sustainable growth.

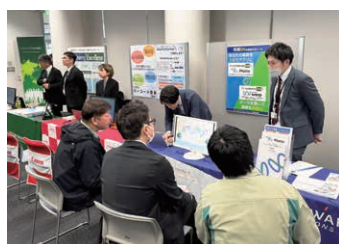
IT Event

- **We co-hosted “Keyware Tohoku IT / DX Spring Fair 2025” with Keyware Tohoku**

Together with Keyware Tohoku Inc., a consolidated subsidiary, we co-hosted our first exhibition “Keyware Tohoku IT / DX Spring Fair 2025” in March 2025.

In addition to showcasing a variety of products that contribute towards promoting DX, we also held seminars, and welcomed 168 people from 76 companies who visited the event to browse the 26 exhibition booths that were set up.

We will continue with the goal of expanding business for the entire Group and promoting community-based DX by cooperating with each regional Group company in the future.



Brand-New Business

- **Joint development of “Digital Shelter”**

We developed “Digital Shelter,” a cyber resilience service, in collaboration with Digital Asset Markets, Inc., and INTERTRADE Co., Ltd.

This service provides robust resistance to cyber attacks and disaster or emergency-related risks by obfuscating important data held by companies and storing it in a distributed manner in the Cloud in Japan and overseas using blockchain technology.

We will continue to promote improvements to the function of this service in the future.

Investor Relations

- **Guest appearance on Radio Nikkei**

Masahiro Mita, our President and CEO, made a guest appearance on the program “Ask Top Management! Strengths and human resource strategies” produced by Radio Nikkei.

We will continue to actively disseminate information about the Group’s business and strategies in the future.



Broadcast date and time	11:35 to 12:05, Wednesday, February 12, 2025
Program title	“Ask Top Management! Strengths and human resource strategies”
Broadcast media	Radio Nikkei 1

Please refer to the following program website for details (available in Japanese language only) .

▶ <https://www.radionikkei.jp/tsuyomi/20250212.html>

* You can listen to the interview broadcast from February 12th by clicking on the “Apple Podcast” or “Spotify” links provided on the right side of the linked website.

Introducing a shareholder benefit plan

To both show our profound gratitude for the support of all our shareholders and to increase interest for investing in our company stock, we have introduced a shareholder benefit plan with the aim of encouraging more people to hold our company stock for the long-term.

We will continue to work hard to share the results of our growth with all shareholders while making every effort to improve corporate value in the future.

Overview of shareholder benefit

Applicable shareholders

Shareholders who have continued to hold* 3 share units (300 shares) or more for a period of 6 months or longer listed or recorded in the shareholder's register as of the shareholder registration date (end of September and end of March)

* In the first year of the program, no holding period will be required for shareholders who are listed on the shareholder registry as of September 30, 2025, to receive shareholder benefits.

Details of the shareholder benefit plan

		Number of shares held	Details of benefit
Annual shareholder benefit		3 share units (300 shares) or more	QUO card worth 6,000 yen
Breakdown	On the last day of March each year	3 share units (300 shares) or more	QUO card worth 3,000 yen
	On the last day of September each year		QUO card worth 3,000 yen

Scheduled date for presenting the QUO card

The QUO card is scheduled to be sent out within 3 months of the date of right allotment, with **the last day of March and September** each year as the shareholder registration date.

Sustainability activities

Awarded a certificate of appreciation for continued blood donation activities

From fiscal 2017, our Company has continued its effort with blood donation activities for the Japanese Red Cross Society as a part of our sustainability activities.

This initiative was well received, and last year we were awarded a certificate of appreciation from the Tokyo Branch Chapter President.

In-house blood donation activities were conducted twice during FY2024, with 57 executives and employees participating in December, and this initiative is steadily taking hold in our company.

We will continue to make every effort with blood donation activities as part of our social contribution activities in the future.



SUSTAINABILITY REPORT

Keyware issues the Sustainability Report every year. Please view this report from the Company website.

▶ <https://www.keyware.co.jp/about/csr/report-index.html>



Financial Statements (Summary)

Unit: million yen, rounded down

Consolidated Balance Sheet

	Previous fiscal year As of March 31, 2024	Current fiscal year As of March 31, 2025
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(Assets)

Current assets	8,099	8,558
Non-current assets	4,426	2,220
Property, plant and equipment	353	389
Intangible assets	444	354
Investments and other assets	3,627	1,476
Total assets	12,525	10,779

POINT Assets

Although contract assets increased, total assets were 10,779 million yen, down 1,746 million yen from the end of the previous fiscal year due to the sale of shares of subsidiaries and associates.

(Liabilities)

Current liabilities	3,317	2,854
Non-current liabilities	567	355
Total liabilities	3,885	3,209

POINT Liabilities

Total liabilities decreased 676 million yen from the end of the previous fiscal year to 3,209 million yen, mainly due to decreases in income taxes payable, accrued consumption taxes, and retirement benefit liability.

(Net assets)

Shareholders' equity	8,397	7,470
Accumulated other comprehensive income	242	99
Total net assets	8,639	7,569
Total liabilities and net assets	12,525	10,779

POINT Net assets

Total net assets decreased 1,070 million yen from the end of the previous fiscal year to 7,569 million yen, mainly due to decreases in retained earnings, treasury shares, and remeasurements of defined benefit plans. As a result, shareholders equity ratio became 70.2%.

Consolidated Income Statements

	Previous fiscal year April 1, 2023 to March 31, 2024	Current fiscal year April 1, 2024 to March 31, 2025
Net sales	20,511	21,101
Cost of sales	16,675	17,071
Gross profit	3,836	4,029
Selling, general and administrative expenses	2,962	3,108
Operating income	873	921
Ordinary income	1,090	1,224
Profit attributable to owners of parent	729	1,031

POINT Net sales

Net sales were 21,101 million yen, up 589 million yen from the previous fiscal year due to strong performance for government, IoT and ERP.

POINT Net profit

Although selling, general and administrative expenses increased, profit attributable to owners of parent was 1,031 million yen, up 302 million yen from the previous fiscal year due to the profit increase associated with an increase in net sales and the gain on sale of shares of subsidiaries and associates.

Consolidated Statement of Cash Flows

	Previous fiscal year April 1, 2023 to March 31, 2024	Current fiscal year April 1, 2024 to March 31, 2025
Net cash provided by (used in) operating activities	1,183	(333)
Net cash provided by (used in) investing activities	(157)	398
Net cash provided by (used in) financing activities	(99)	(166)
Net increase (decrease) in cash and cash equivalents	926	(101)
Balance of cash and cash equivalents at the beginning of year	1,038	1,964
Balance of cash and cash equivalents at the end of the fiscal year	1,964	1,863

POINT Consolidated cash flow

In operating activities, although the profit in net income before income taxes created a positive cash flow, the increase in notes and accounts receivable - trade and other factors created a negative cash flow, resulting in a net negative cash flow of 333 million yen.

In investment activities, although the payment of guarantee deposits created a negative cash flow, the sale of investment securities and other factors created a positive cash flow, resulting in a net positive cash flow of 398 million yen. In financing activities, there was a negative cash flow of 166 million yen due to dividend payments.

As a result, the balance of cash and cash equivalents at the end of the fiscal year became 1,863 million yen, down 101 million yen from the end of the previous fiscal year.

Stock Information

● Authorized shares	36,440,000	● Major shareholders	HBA Corporation
● Outstanding shares	9,110,000		JR East Information Systems Company
● Shareholders	3,704		Kanematsu Electronics Ltd.
			Canon Marketing Japan Inc.
			Sumitomo Life Insurance Company
			Sumitomo Mitsui Banking Corporation

Notes for Shareholders

Fiscal year	April 1 to March 31
Date of ordinary general meeting of shareholders	Every June
Shareholder registration date	Ordinary general meeting of shareholders and fiscal year-end dividend: Every March 31 Interim dividend: Every September 30 If another date is necessary, the prescribed date notified in advance.
Shareholder's register manager and administrator of special account	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Shareholder's register manager administration office	Stock Transfer Agency Department Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
[Contact and postal address]	Stock Transfer Agency Department Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
[Phone]	(Toll-free in Japan) 0120-782-031
[Internet website URL]	https://www.smtb.jp/personal/procedure/agency/
Method of public notice	The Company provides electronic public notices. However, notices shall be provided by publication in the Nihon Keizai Shimbun if an accident or other unavoidable circumstances prevent the use of electronic public notices.
Listing exchange	Tokyo Stock Exchange, Standard Market

Procedures concerning shares of stock

- **Notification and inquiry for address change**
Please contact the securities company which you use. Shareholders who do not use a securities company account should contact the phone number listed above for Sumitomo Mitsui Trust Bank.
- **Payment of dividends payable**
Please apply to Sumitomo Mitsui Trust Bank, which is the administrator of the shareholder's register.

Company Profile

Trade name	Keyware Solutions Inc.
Address	5-37-18, Kamikitazawa, Setagaya-ku, Tokyo 156-8588, Japan
Date of establishment	May 1965
Capital	1,737 million yen
Sales	21,101 million yen (Consolidated, fiscal year ended March 31, 2025)
Employees	1,289 (Consolidated, as of March 31, 2025)
Description of Business	System development business and comprehensive IT services business
Certifications	Registered as a Quality Management Systems Company Firm permitted to use the JIPDEC Privacy Mark Registered as an Information Security Management Systems Company Registered as an Environmental Management Systems Company “Kurumin” Certification as a Company Supporting Childcare Certified as Health & Productivity Management Outstanding Organizations Recognition Program (the large enterprise category)

Executives

Directors and Auditors

President & CEO	Masahiro Mita
Director	Toshikazu Ogawa
Director	Ikuo Saito
Director	Takuya Suetsuna
Director	Masaru Wakiya
Director	Makiko Noda
Director	Stefan Gustafsson
Director	Ayumi Tateda
Auditor	Keiji Ushirone
Auditor	Atsushi Sato
Auditor	Hiroshi Takita
Auditor	Kenichi Ota

Corporate Officers

President Corporate Officer	Masahiro Mita
Senior Managing Corporate Officer	Toshikazu Ogawa
Managing Corporate Officer	Minoru Tano
Managing Corporate Officer	Ikuo Saito
Corporate Officer	Tetsuro Kato
Corporate Officer	Takuya Suetsuna
Corporate Officer	Masaru Wakiya
Corporate Officer	Shojiro Komiyama
Corporate Officer	Atsushi Yamamori
Corporate Officer	Yoshinari Akiyama

* Directors Makiko Noda, Stefan Gustafsson, and Ayumi Tateda are Outside Directors as provided in Article 2, item (xv) of the Companies Act.

* Auditors Hiroshi Takita and Kenichi Ota are Outside Auditors as provided in Article 2, item (xvi) of the Companies Act.

* Directors Makiko Noda and Stefan Gustafsson, and Auditors Hiroshi Takita and Kenichi Ota are independent officers who do not have the potential to cause conflicts of interest against general shareholders, the designation of which is required by the Tokyo Stock Exchange.

■ Internet IR Information

Keyware Solutions aims to distribute timely and easy-to-follow information to shareholders and investors, and endeavors to improve its IR activities by enriching its company website.

Keyware IR English

Search

<https://www.keyware.co.jp/english/ir/>

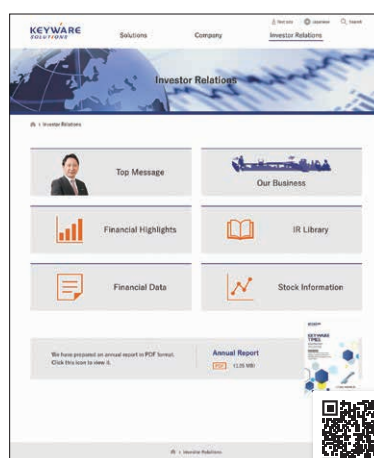
English language site

In English language site, information is provided in order to generate a deeper understanding of the operations of Keyware Group.



<https://www.keyware.co.jp/english/>

IR Information



<https://www.keyware.co.jp/english/ir/>

Results briefing (video dissemination)

A video of the results briefing is disseminated together with the results briefing documentation.

The information contains explanations concerning the business report and future strategies of Keyware.



<https://irp-system.net/presenter/?conts=01jtsrggcqz4tgsk9jwchnx40e>

Keyware Solutions Inc.

5-37-18, Kamikitazawa, Setagaya-ku, Tokyo 156-8588, Japan
Corporate Planning Division, Public Relations & Investor Relations Office
<https://www.keyware.co.jp/english/>



JUSE-RA-034
QMS, EMS, ISMS JUSE-EG-266
Registrations JUSE-IR-001

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