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3371

SOFTCREATE HOLDINGS CORP

Company Name

SOFTCREATE HOLDINGS CORP.

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1969-08-08

Head Office

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Fiscal Year-End

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Exchange Listing

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Research Coverage Report by **Shared Research Inc.**

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Executive summary

Business overview

Softcreate Holdings Corporation (TSE Prime: 3371) builds e-commerce sites for medium- and large-sized companies in apparel, food, and retail and supports marketing efforts that drive e-commerce sales. The company also provides a wide range of IT solutions to small- and medium-sized companies (SMEs), including infrastructure construction, operation, and maintenance. The company's flagship product, ecbeing, is an e-commerce site development package that has assisted clients in building more than 1,600 e-commerce sites in Japan. According to the 2025 SaaS/PaaS E-commerce Site Development Market Share Survey (by value) by Fuji Chimera Research Institute, Softcreate Holdings is projected to hold a 43.7% share, maintaining the top share in the e-commerce site development market for the 18th consecutive year (source: company materials). In FY03/25, revenue was JPY31.0bn (+10.9% YoY) and operating profit was JPY5.5bn (+6.4% YoY). CAGR over the ten years through FY03/25 was 10.8% for revenue and 15.9% for operating profit.

The company's predecessor was established in August 1969 to provide real estate services, and in May 1983, the company pivoted by opening a PC store called "Softcreate" in Shibuya, Tokyo. In April 1985, the company launched system integration services on a contracted development basis for corporate customers, who accounted for most of the PC market at that time. This venture led to its current IT Solutions business. In January 1999, the company launched its e-commerce business by opening an e-commerce site for PC goods, Tokka COM. In October of the same year, the company began selling an e-commerce site development package created with the know-how gained from the operation of Tokka COM system, laying the groundwork for the current EC Solutions business. In April 2009, the company executed a business transfer of Tokka COM, and in October 2012, adopted a pure holding company structure.

The company's business consists of two segments: EC Solutions business (53.7% of revenue, 57.6% of recurring profit before adjustments; 24.5% RPM before adjustments [FY03/25]) and IT Solutions business (46.3%, 42.4%, and 20.9%). Over the 10 years ending with FY03/25, EC Solutions segment revenue has grown at a CAGR of 12.3%, while IT Solutions segment revenue has grown at a CAGR of 9.3% (prior to FY03/20, the sum of the System Integration and Merchandise Sales segments). The CAGR of recurring profit before adjustments was 13.0% in the EC Solutions business and 15.6% in the IT Solutions business.

In the EC Solutions business (FY03/25 revenue from external clients: JPY16.6bn, +6.9% YoY), the company provides integrated services including e-commerce site development, maintenance, operation, and marketing support after the site is built. Five subsidiaries centered on Ecbeing Corp., which sells the company's flagship ecbeing e-commerce site development package, make up the EC Solutions business. Revenue in this segment falls under three categories: e-commerce site development (66.3% of segment revenue in FY03/25), digital marketing (20.8%), and e-commerce cloud services (12.8%).

E-commerce site development mainly involves providing the ecbeing package and related customization and maintenance. The ecbeing package includes the standard functions required for an e-commerce site, such as cart functions, order and sales management, and customer management. Clients can use the product to build their own e-commerce sites with further customization. Compared to developing all functions from scratch, ecbeing allows clients to reduce implementation costs and save time. The software was originally developed based on the company's experience operating an internet shopping site. It stands out due to the inclusion of all the necessary functions clients need right out of the box, along with additional customization support provided by in-house resources and around-the-clock maintenance every day of the year. Shared Research believes that the company's accumulated know-how and successful client experiences have led to its current market share.

The company has used ecbeing to build over 1,600 e-commerce sites. Clients are mainly medium to large companies in the apparel, food, and retail industries. The company acquires projects through inbound sales via the Internet and at trade shows. Approximately 650 developers, including those stationed at the company from partner companies, and approximately 300 marketing support personnel work to provide ecbeing almost exclusively through direct sales to clients. According to Softcreate Holdings, most of the staff building e-commerce sites work to provide additional customization for existing clients. Those assigned to new clients are limited to about 20%.

The company's mainstay e-commerce site development business (FY03/25 revenue of JPY11.0bn, +6.1% YoY) is composed of initial construction revenue (such as introducing the ecbeing package), monthly revenue from server usage fees and system maintenance fees, and additional customization revenue. Shared Research estimates that the average initial sales per company are roughly JPY30mn, JPY2.9mn of which came from the ecbeing package. The average

monthly revenue per company is JPY400,000. The company adds functions to e-commerce sites in stages over an average of one-and-a-half to two years, so additional customization revenue is also recorded every year for the first two years after the initial site construction. Shared Research believes that initial construction revenue accounts for about 15%, monthly revenue about 55%, and additional customization revenue about 30% of total e-commerce site development revenue.

In digital marketing (FY03/25 revenue: JPY3.5bn, -0.6% YoY), Softcreate Holdings provides branding website creation, promotional support, and marketing analysis services in response to client needs. The company notes that its digital marketing services have a high retention rate and stable revenue stemming from the company's provision of consulting services for e-commerce businesses. Its e-commerce cloud services (JPY2.1bn, +27.5% YoY) include microservices such as visumo, a service facilitating integration with Instagram and similar platforms, and Mercart, a cloud-based e-commerce site development service for small e-commerce businesses. Revenue is mainly recurring revenue.

Expenses in the EC Solutions business are mainly labor and outsourcing costs for development and marketing personnel, server and data center costs, and software amortization. In FY03/24, GPM by category was 37.6% for e-commerce site development (59.3% of gross profit), 52.0% for digital marketing (27.5% of gross profit), and 52.1% for e-commerce cloud services (13.2% of gross profit). Shared Research understands that the relatively low GPM for e-commerce site development is due to the labor-intensive nature of the initial construction and additional customization. On the other hand, both the digital marketing and e-commerce cloud services businesses have high gross profit margins (GPMs). This is attributed to earning commissions from advertisement placements being recorded as revenue in an amount equivalent to the company's gross profit, and the use of in-house developed software, respectively. Starting in FY03/25, the company ceased disclosing gross profit by sales category.

According to the 2025 SaaS/PaaS E-commerce Site Development Market Share Survey (by value) by Fuji Chimera Research Institute, Softcreate Holdings is projected to hold a 43.7% share, maintaining the top share in the e-commerce site development market for the 18th consecutive year (source: company materials). The second-largest share belongs to Salesforce Japan Co. Ltd., a subsidiary of Salesforce, Inc. (NYSE: CRM), at 23.8%, representing a significant gap with Softcreate Holdings.

In the IT Solutions business (FY03/25 revenue to external clients: JPY14.3bn, +15.9% YoY), the company proposes and builds information systems for companies with 100 to 3,000 employees. The business comprises four consolidated subsidiaries, the most notable of which are Softcreate Corp., which provides system integration, and Atled Corp. (TSE standard: 3969), which provides workflow products that digitize a variety of administrative processes for companies. Segment revenue falls under the following four categories: security and infrastructure development (45.6% of segment revenue in FY03/25), IT packages (15.6%), IT cloud services (20.0%), and IT equipment (18.6%).

The IT Solutions business has more than 20,000 registered clients in its database, including clients from the days of its original PC store business, and does business with about 3,000 companies per year. Its client base does not overlap with that of the EC Solutions business. The company acquires projects mainly through inbound sales via the Internet and through trade shows. About 90% of revenue is generated through direct sales. Many SMEs lack IT personnel, and the company's personnel work closely with clients, making a variety of proposals to develop new business after ascertaining a client's IT budget. Shared Research understands that the company's ability to generate revenue through continuous additional proposals is behind the sustained growth of this business, which is dominated by one-time revenue.

Mainstay security and infrastructure development (FY03/25 revenue of JPY6.5bn, +8.6% YoY) includes mainly LAN and other network construction, security solutions, maintenance, hosting services, and contract development using the company's generative AI service, "Safe AI Gateway." According to the company, about 60% of security and infrastructure development revenue comes from maintenance, hosting, and other recurring sources. IT cloud services (JPY2.9bn, +25.3% YoY) consisted mainly of SCCloud, which provides the X-point Cloud workflow service and server functions in a cloud environment, and L2BlockerCloud, an internal network security service. These are recurring revenue businesses.

IT packages (FY03/25 revenue of JPY2.2bn, +23.9% YoY) include AgileWorks, a workflow product for large companies from Atled Corp., L2Blocker from Softcreate Corp., and, starting in FY03/25, LDAP Manager from Exgen Network. IT equipment (FY03/25 revenue of JPY2.7bn, +18.2% YoY) includes products, such as PCs and third-party software, that the company purchases and sells to clients.

In the IT Solutions business, the main expenses are labor and outsourcing costs for security and infrastructure development services; labor, software amortization, and data center costs for IT cloud services; development costs for IT packages; and purchasing costs for IT equipment. GPMs for FY03/24 were 38.4% for security and infrastructure development services (43.4% of gross profit), 38.9% for IT cloud services (16.7% of gross profit), 76.1% for IT packages

(25.8% of gross profit), and 33.3% for IT equipment (14.1% of gross profit). IT packages is mainly in-house products, and its GPMs are high as the company has made progress in recovering development costs. Starting in FY03/25, the company ceased disclosing gross profit by sales category.

In the IT Solutions business, JBCC Corporation (a wholly owned subsidiary of JBCC Holdings Inc. [TSE Prime: 9889]) and Japan Business Systems, Inc. (TSE Standard: 5036) compete with Softcreate Holdings.

Business performance

Revenue totaled JPY34.4bn (+11.1% YoY), operating profit was JPY6.2bn (+12.9% YoY), recurring profit was JPY6.5bn (+13.5% YoY), and net income attributable to owners of the parent was JPY4.2bn (+17.6% YoY). The achievement rate against the full-year company forecast for FY03/26 was 102.7% for revenue, 103.5% for operating profit, 105.5% for recurring profit, and 110.4% for net income.

In the EC Solutions business, revenue increased 8.8% YoY to JPY18.1bn and recurring profit grew 10.3% YoY to JPY4.5bn, supported by higher revenue from e-commerce site development and cloud services to enhance e-commerce sales.

In the IT Solutions business, revenue increased 13.7% YoY to JPY16.3bn and recurring profit increased 7.8% YoY to JPY3.2bn, supported by revenue growth from cloud services and from security and infrastructure development.

For FY03/27, Softcreate Holdings forecasts revenue of JPY37.0bn (+7.6% YoY), operating profit of JPY6.3bn (+1.5% YoY), recurring profit of JPY6.6bn (+0.1% YoY), and net income attributable to owners of the parent of JPY4.2bn (+0.6% YoY). The company projects an annual dividend per share of JPY62.0 (JPY62.0 in FY03/26).

The company expects growth in its e-commerce site development package *ecbeing* and SaaS-type microservices. Against the backdrop of rapidly expanding global demand for generative AI, the company projects growth in *Safe AI Gateway*, its proprietary generative AI service for corporate clients, as well as in enterprise information system services, including *X-point Cloud*, *AgileWorks Cloud*, and *SCCloud*. It also expects revenue and profit growth driven by increased corporate investment in security.

The company expects increased security-related expenses, higher spending to enhance product functionality, increased advertising expenses to improve brand recognition, and higher amortization expenses related to goodwill from *MGR*, Inc., whose shares it acquired on March 31, 2026. However, the company expects profit growth driven by expansion of the EC Solutions and IT Solutions businesses to offset these costs and projects record-high revenue and profit.

Although the company does not provide specific long-term management targets, it is internally targeting double-digit annual revenue growth in both its EC Solutions and IT Solutions businesses. In the EC Solutions business, the company will aim for further earnings growth by entering the B2B e-commerce market in earnest with *ecbeing*. In the IT Solutions business, the company intends to create new added value and business opportunities by integrating technology and solutions based on the three pillars of security and infrastructure development, Microsoft-related business, and AI-related business.

Strengths and weaknesses

Shared Research believes the company's main strengths are as follows.

- ▶ The company's strong emphasis on profit, swift adaptation to changes in the business environment, and meticulous selection of businesses and orders have led to sustained profit growth since its foundation.
- ▶ The company was the first to offer e-commerce solution services featuring additional customization and 24-hour, year-round support. Leveraging its extensive experience in e-commerce, the quality of these pioneering services has enabled it to capture around half of the market.
- ▶ High profit margins within the industry through sales transactions conducted directly with end-users

Shared Research believes the company's main weaknesses are as follows.

- ▶ The B2C e-commerce package market is expected to shrink, and the company's core products already have high market shares and limited room for growth.

- ▶ Difficulty in increasing the number of new clients since the company prioritizes the allocation of development resources to additional customization for existing clients, which requires significant work
- ▶ The businesses in EC Solutions and IT Solutions are fundamentally different and require expertise in different areas, making it difficult to flexibly allocate human resources between the businesses.

For further details, see the Strengths and weaknesses section of this report.

Key financial data

Income statement	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26	FY03/27
											Company forecast
(JPYmn)	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.
Revenue	13,724	15,597	19,358	23,811	24,238	21,227	24,254	27,912	30,952	34,391	37,000
YoY	11.8%	13.6%	24.1%	23.0%	1.8%	-12.4%	14.3%	15.1%	10.9%	11.1%	7.6%
Gross profit	4,125	4,843	6,044	6,989	7,794	9,250	10,322	11,915	12,864	14,015	-
YoY	9.2%	17.4%	24.8%	15.6%	11.5%	18.7%	11.6%	15.4%	8.0%	8.9%	-
Gross profit margin	30.1%	31.1%	31.2%	29.4%	32.2%	43.6%	42.6%	42.7%	41.6%	40.8%	-
Operating profit	1,544	1,707	1,887	2,380	3,227	4,030	4,323	5,169	5,498	6,209	6,300
YoY	5.7%	10.5%	10.6%	26.1%	35.6%	24.9%	7.3%	19.6%	6.4%	12.9%	1.5%
Operating profit margin	11.3%	10.9%	9.7%	10.0%	13.3%	19.0%	17.8%	18.5%	17.8%	18.1%	17.0%
Recurring profit	1,620	1,793	2,010	2,442	3,247	4,162	4,489	5,356	5,764	6,544	6,550
YoY	4.1%	10.7%	12.1%	21.5%	33.0%	28.2%	7.9%	19.3%	7.6%	13.5%	0.1%
Recurring profit margin	11.8%	11.5%	10.4%	10.3%	13.4%	19.6%	18.5%	19.2%	18.6%	19.0%	17.7%
Net income	1,010	1,145	1,165	1,431	1,817	2,363	2,738	3,257	3,548	4,174	4,200
YoY	-0.7%	13.4%	1.7%	22.8%	27.1%	30.0%	15.8%	19.0%	8.9%	17.6%	0.6%
Net margin	7.4%	7.3%	6.0%	6.0%	7.5%	11.1%	11.3%	11.7%	11.5%	12.1%	11.4%
Per-share amounts adjusted for stock splits and consolidations											
Number of shares outstanding end-FY (000 shares)	27,345	26,749	26,248	25,842	26,577	25,383	25,056	25,090	24,911	25,339	-
EPS	37.00	42.74	44.04	54.84	69.33	90.99	108.68	129.89	141.93	167.14	165.75
Dividend per share	10.00	10.00	10.00	10.00	15.00	20.00	25.00	48.00	55.00	62.00	62.00
Book value per share	293.17	318.76	356.70	368.83	479.00	518.47	600.51	741.49	836.23	991.53	-
Balance sheet (JPYmn)											
Cash and cash equivalents	5,674	5,195	5,862	6,987	9,681	9,322	9,429	13,509	14,958	13,224	
Total current assets	9,575	9,755	10,117	11,550	14,690	14,773	16,404	20,551	23,831	26,902	
Tangible fixed assets	383	337	292	298	262	296	299	262	298	318	
Investments and other assets	2,373	3,180	4,405	3,873	5,152	6,635	6,961	8,525	8,896	10,095	
Intangible assets	465	514	1,086	1,009	1,037	1,091	1,529	1,960	2,568	4,746	
Total assets	12,796	13,785	15,900	16,730	21,142	22,795	25,193	31,298	35,593	42,060	
Notes and accounts payable	1,269	1,488	1,238	1,294	1,358	1,794	1,899	1,917	2,342	3,169	
Short-term debt	0	0	0	0	45	37	12	0	0	65	
Total current liabilities	3,163	3,518	3,758	4,227	5,121	5,919	5,906	7,382	8,556	10,049	
Long-term debt	66	67	500	0	49	12	0	0	0	143	
Total fixed liabilities	1,069	1,089	1,573	1,575	1,628	1,681	1,758	2,265	2,439	2,810	
Total liabilities	4,232	4,607	5,331	5,803	6,749	7,600	7,665	9,647	10,995	12,859	
Total net assets	8,564	9,178	10,569	10,927	14,392	15,195	17,528	21,652	24,598	29,201	
Total interest-bearing debt	0	0	0	0	94	49	12	0	0	209	
Cash flow statement (JPYmn)											
Cash flows from operating activities	1,718	1,559	1,445	2,699	3,299	3,860	2,570	6,484	4,996	5,542	
Cash flows from investing activities	-1,585	-221	-1,809	-421	-406	-1,695	-1,332	-1,385	-2,081	-5,399	
Cash flows from financing activities	322	-828	-33	-1,159	-408	-2,528	-1,130	-1,015	-1,465	-868	
Financial ratios											
ROA (RP-based)	13.7%	13.5%	13.5%	15.0%	17.1%	18.9%	18.7%	19.0%	17.2%	16.9%	
ROE	13.4%	13.8%	13.0%	15.1%	16.3%	18.3%	19.4%	19.4%	18.0%	18.2%	
Equity ratio	62.6%	61.9%	58.9%	57.0%	60.2%	57.7%	59.7%	59.4%	58.5%	59.7%	

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Recent updates

Softcreate Holdings announces share buyback

2026-06-15

Softcreate Holdings Corporation (TSE Prime: 3371) announced a share buyback.

Purpose of the share buyback

The company will conduct the share buyback to enhance shareholder returns and execute a flexible capital policy in response to changes in the business environment.

Details of the acquisition

- Type of shares to be acquired: Common shares of the company
- Maximum number of shares to be acquired: 300,000 (equivalent to 1.18% of total issued shares, excluding treasury shares)
- Maximum total acquisition amount: JPY500.0mn
- Acquisition period: From June 16, 2026 to September 30, 2026

Trends and outlook

Quarterly trends and results

Earnings (cumulative) (JPYmn)	FY03/25				FY03/26				FY03/26	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue	7,100	15,171	22,655	30,952	7,887	16,508	25,151	34,391	102.7%	33,500
YoY	6.7%	9.5%	9.1%	10.9%	11.1%	8.8%	11.0%	11.1%		8.2%
Cost of revenue	4,198	8,930	13,314	18,087	4,671	9,811	14,845	20,376		
YoY	13.0%	14.0%	12.7%	13.1%	11.3%	9.9%	11.5%	12.7%		
Cost ratio	59.1%	58.9%	58.8%	58.4%	59.2%	59.4%	59.0%	59.2%		
Gross profit	2,902	6,241	9,340	12,864	3,216	6,697	10,307	14,015		
YoY	-1.3%	3.7%	4.3%	8.0%	10.8%	7.3%	10.3%	8.9%		
Gross profit margin	40.9%	41.1%	41.2%	41.6%	40.8%	40.6%	41.0%	40.8%		
SG&A expenses	1,835	3,625	5,398	7,367	2,108	3,958	5,744	7,806		
YoY	9.0%	8.9%	10.6%	9.2%	14.9%	9.2%	6.4%	6.0%		
SG&A ratio	25.8%	23.9%	23.8%	23.8%	26.7%	24.0%	22.8%	22.7%		
Operating profit	1,067	2,616	3,942	5,498	1,109	2,740	4,563	6,209	103.5%	6,000
YoY	-15.1%	-2.8%	-3.2%	6.4%	3.9%	4.7%	15.8%	12.9%		9.1%
Operating profit margin	15.0%	17.2%	17.4%	17.8%	14.1%	16.6%	18.1%	18.1%		17.9%
Recurring profit	1,225	2,756	4,137	5,764	1,331	3,039	4,894	6,544	105.5%	6,200
YoY	-9.6%	-3.4%	-4.3%	7.6%	8.6%	10.3%	18.3%	13.5%		7.6%
Recurring profit margin	17.3%	18.2%	18.3%	18.6%	16.9%	18.4%	19.5%	19.0%		18.5%
Net income	854	1,769	2,548	3,548	843	1,869	2,928	4,174	110.4%	3,780
YoY	5.5%	6.9%	-3.0%	8.9%	-1.3%	5.7%	14.9%	17.6%		6.5%
Net margin	12.0%	11.7%	11.2%	11.5%	10.7%	11.3%	11.6%	12.1%		11.3%
Earnings (quarterly) (JPYmn)	FY03/25				FY03/26					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue	7,100	8,071	7,484	8,297	7,887	8,343	8,643	9,240		
YoY	6.7%	12.1%	8.2%	16.2%	11.1%	3.4%	15.5%	11.4%		
Cost of revenue	4,198	4,733	4,384	4,773	4,671	5,140	5,034	5,531		
YoY	13.0%	14.9%	10.0%	14.2%	11.3%	8.6%	14.8%	15.9%		
Cost ratio	59.1%	58.6%	58.6%	57.5%	59.2%	61.6%	58.2%	59.9%		
Gross profit	2,902	3,338	3,100	3,524	3,216	3,481	3,609	3,709		
YoY	-1.3%	8.4%	5.6%	19.0%	10.8%	4.3%	16.4%	5.2%		
Gross profit margin	40.9%	41.4%	41.4%	42.5%	40.8%	41.7%	41.8%	40.1%		
SG&A expenses	1,835	1,790	1,774	1,968	2,108	1,850	1,786	2,062		
YoY	9.0%	8.8%	14.2%	5.5%	14.9%	3.4%	0.7%	4.8%		
SG&A ratio	25.8%	22.2%	23.7%	23.7%	26.7%	22.2%	20.7%	22.3%		
Operating profit	1,067	1,548	1,326	1,556	1,109	1,661	1,823	1,647		
YoY	-15.1%	8.0%	-4.0%	41.9%	3.9%	7.3%	37.5%	5.8%		
Operating profit margin	15.0%	19.2%	17.7%	18.8%	14.1%	19.9%	21.1%	17.8%		
Recurring profit	1,225	1,531	1,381	1,627	1,331	1,569	1,854	1,650		
YoY	-9.6%	2.3%	-6.1%	57.6%	8.6%	2.5%	34.3%	1.5%		
Recurring profit margin	17.3%	19.0%	18.5%	19.6%	16.9%	18.8%	21.5%	17.9%		
Net income	854	915	779	1,000	843	927	1,059	1,246		
YoY	5.5%	8.3%	-19.8%	58.4%	-1.3%	1.3%	35.8%	24.6%		
Net margin	12.0%	11.3%	10.4%	12.0%	10.7%	11.1%	12.2%	13.5%		

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Earnings by segment (quarterly)

Revenue/recurring profit by segment (JPYmn)	FY03/25				FY03/26				FY03/26	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue	7,100	15,171	22,655	30,952	7,887	16,508	25,151	34,391	102.7%	33,500
YoY	6.7%	9.5%	9.1%	10.9%	11.1%	8.8%	11.0%	11.1%		8.2%
EC Solutions business	3,978	8,149	12,291	16,621	4,288	8,771	13,360	18,091	98.9%	18,300
YoY	6.8%	5.7%	6.1%	6.9%	7.8%	7.6%	8.7%	8.8%		10.1%
% of revenue	56.0%	53.7%	54.3%	53.7%	54.4%	53.1%	53.1%	52.6%		54.6%
IT Solution business	3,122	7,022	10,363	14,331	3,599	7,737	11,791	16,300	107.2%	15,200
YoY	6.5%	14.3%	12.8%	15.9%	15.3%	10.2%	13.8%	13.7%		6.1%
% of revenue	44.0%	46.3%	45.7%	46.3%	45.6%	46.9%	46.9%	47.4%		45.4%
Recurring profit	1,225	2,756	4,137	5,764	1,331	3,039	4,894	6,544		
YoY	-9.6%	-3.4%	-4.3%	7.6%	8.6%	10.3%	18.3%	13.5%		
Recurring profit margin	17.3%	18.2%	18.3%	18.6%	16.9%	18.4%	19.5%	19.0%		
EC Solutions business	977	1,948	3,077	4,073	1,137	2,277	3,520	4,492		
YoY	-5.8%	-8.8%	-2.4%	2.8%	16.4%	16.9%	14.4%	10.3%		
Recurring profit margin (before adjustment)	24.6%	23.9%	25.0%	24.5%	26.5%	26.0%	26.3%	24.8%		
% of recurring profit (before adjustment)	64.7%	58.0%	60.6%	57.6%	68.6%	62.7%	61.0%	58.2%		
IT Solution business	532	1,411	2,002	2,997	521	1,352	2,247	3,231		
YoY	-11.5%	9.3%	-1.7%	5.7%	-2.0%	-4.1%	12.2%	7.8%		
Recurring profit margin (before adjustment)	17.0%	20.1%	19.3%	20.9%	14.5%	17.5%	19.1%	19.8%		
% of recurring profit (before adjustment)	35.3%	42.0%	39.4%	42.4%	31.4%	37.3%	39.0%	41.8%		
Adjustments	-283	-602	-941	-1,306	-327	-590	-873	-1,180		
Earnings (quarterly) (JPYmn)	FY03/25				FY03/26					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue	7,100	8,071	7,484	8,297	7,887	8,621	8,643	9,240		
YoY	6.7%	12.1%	8.2%	16.2%	11.1%	6.8%	15.5%	11.4%		
EC Solutions business	3,978	4,172	4,142	4,330	4,288	4,483	4,589	4,731		
YoY	6.8%	4.6%	7.0%	9.3%	7.8%	7.5%	10.8%	9.3%		
% of revenue	56.0%	51.7%	55.3%	52.2%	54.4%	52.0%	53.1%	51.2%		
IT Solution business	3,122	3,900	3,342	3,967	3,599	4,138	4,054	4,509		
YoY	6.5%	21.5%	9.6%	24.8%	15.3%	6.1%	21.3%	13.7%		
% of revenue	44.0%	48.3%	44.7%	47.8%	45.6%	48.0%	46.9%	48.8%		
Recurring profit	1,225	1,531	1,381	1,627	1,331	1,708	1,854	1,650		
YoY	-9.6%	2.3%	-6.1%	57.6%	8.6%	11.6%	34.3%	1.5%		
Operating profit margin	17.3%	19.0%	18.5%	19.6%	16.9%	19.8%	21.5%	17.9%		
EC Solutions business	977	971	1,129	996	1,137	1,141	1,243	972		
YoY	-5.8%	-11.6%	11.1%	22.7%	16.4%	17.4%	10.1%	-2.4%		
Recurring profit margin (before adjustment)	24.6%	23.3%	27.3%	23.0%	26.5%	25.4%	27.1%	20.6%		
% of recurring profit (before adjustment)	64.7%	52.5%	65.6%	50.0%	68.6%	57.8%	58.1%	49.7%		
IT Solution business	532	879	591	995	521	831	895	985		
YoY	-11.5%	27.5%	-20.7%	24.6%	-2.0%	-5.4%	51.3%	-1.1%		
Recurring profit margin (before adjustment)	17.0%	22.5%	17.7%	25.1%	14.5%	20.1%	22.1%	21.8%		
% of recurring profit (before adjustment)	35.3%	47.5%	34.4%	50.0%	31.4%	42.2%	41.9%	50.3%		
Adjustments	-283	-319	-339	-365	-327	-263	-283	-306		

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Full-year FY03/26 results

- Revenue: JPY34.4bn (+11.1% YoY)
- Operating profit: JPY6.2bn (+12.9% YoY)
- Recurring profit: JPY6.5bn (+13.5% YoY)
- Net income attributable to owners of the parent: JPY4.2bn (+17.6% YoY)

Summary

Revenue totaled JPY34.4bn (+11.1% YoY), operating profit was JPY6.2bn (+12.9% YoY), recurring profit was JPY6.5bn (+13.5% YoY), and net income attributable to owners of the parent was JPY4.2bn (+17.6% YoY). The achievement rate against the full-year company forecast for FY03/26 was 102.7% for revenue, 103.5% for operating profit, 105.5% for recurring profit, and 110.4% for net income.

Results by segment

EC Solutions business

- Revenue: JPY18.1bn (+8.8% YoY)
- Recurring profit: JPY4.5bn (+10.3% YoY)

In the EC Solutions business, revenue increased 8.8% YoY to JPY18.1bn and recurring profit grew 10.3% YoY to JPY4.5bn, supported by higher revenue from e-commerce site development and mainstay e-commerce cloud services.

IT Solutions business

- Revenue: JPY16.3bn (+13.7% YoY)
- Recurring profit: JPY3.2bn (+7.8% YoY)

In the IT Solutions business, revenue increased 13.7% YoY to JPY16.3bn and recurring profit increased 7.8% YoY to JPY3.2bn, supported by revenue growth from cloud services and from security and infrastructure development.

Full-year company forecasts

(JPYmn)	FY03/26			FY03/27		
	1H results	2H results	FY results	1H forecast	2H forecast	FY forecast
Revenue	16,508	17,883	34,391	17,840	19,160	37,000
YoY	8.8%	13.3%	11.1%	8.1%	7.1%	7.6%
EC Solutions business	8,771	9,320	18,091	-	-	-
YoY	7.6%	10.0%	8.8%	-	-	-
IT Solution business	7,737	8,563	16,300	-	-	-
YoY	10.2%	17.2%	13.7%	-	-	-
Operating profit	2,740	3,470	6,209	2,745	3,555	6,300
YoY	4.7%	20.4%	12.9%	0.2%	2.5%	1.5%
Operating profit margin	16.6%	19.4%	18.1%	15.4%	18.6%	17.0%
Recurring profit	3,039	3,505	6,544	2,965	3,585	6,550
YoY	10.3%	16.5%	13.5%	-2.4%	2.3%	0.1%
Recurring profit margin	18.4%	19.6%	19.0%	16.6%	18.7%	17.7%
Net income	1,869	2,304	4,174	1,815	2,385	4,200
YoY	5.7%	29.5%	17.6%	-2.9%	3.5%	0.6%
Net margin	11.3%	12.9%	12.1%	10.2%	12.4%	11.4%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

For FY03/27, Softcreate Holdings forecasts revenue of JPY37.0bn (+7.6% YoY), operating profit of JPY6.3bn (+1.5% YoY), recurring profit of JPY6.6bn (+0.1% YoY), and net income attributable to owners of the parent of JPY4.2bn (+0.6% YoY). The company projects an annual dividend per share of JPY62.0 (JPY62.0 in FY03/26).

The company expects growth in its e-commerce site development package ecbeing and SaaS-type microservices. Against the backdrop of rapidly expanding global demand for generative AI, the company projects growth in Safe AI Gateway, its proprietary generative AI service for corporate clients, as well as in enterprise information system services, including X-point Cloud, AgileWorks Cloud, and SCCloud. It also expects revenue and profit growth driven by increased corporate investment in security.

The company expects increased security-related expenses, higher spending to enhance product functionality, increased advertising expenses to improve brand recognition, and higher amortization expenses related to goodwill from MGR, Inc., whose shares it acquired on March 31, 2026. However, the company expects profit growth driven by expansion of the EC Solutions and IT Solutions businesses to offset these costs and projects record-high revenue and profit.

Medium-term earnings outlook

Although Softcreate Holdings does not disclose specific long-term management targets, it has set internal targets of double-digit revenue growth for both the EC Solutions and IT Solutions businesses. In the EC Solutions business, the company will aim for further earnings growth by entering the B2B e-commerce market in earnest with ecbeing. In the IT Solutions business, the company intends to integrate technology and solutions to create new added value and business opportunities in the AI business and other areas.

In the EC Solutions business, Softcreate Holdings has designated B2B e-commerce a focus area. Since 2005, the company has been offering ecbeing BtoB, a B2B e-commerce site development package. The strengths of ecbeing BtoB are: 1) know-how cultivated through past construction experience; 2) standard implementation of many functions

specialized for corporate transactions; 3) customization to meet client-specific business needs; and 4) support by approximately 600 development staffs and 250 marketing staffs. Another feature of ecbeing BtoB is that it can be linked to various core systems through customization.

According to the "E-Commerce Market Survey" report published by the Ministry of Economy, Trade and Industry in August 2023, the size of the Japanese B2B e-commerce market in 2022 was JPY420tn, up 12.8% YoY, and CAGR over the decade through 2022 was 4.8%. This is roughly 18.5× larger than the B2C e-commerce business, that the company has been focusing on. In 2022, the B2C e-commerce market was valued approximately JPY23tn, up 9.9% YoY.

The company's vision for the growth of its EC solution business is to expand micro-services based on the continued growth of its mainstay ecbeing BtoC, and to further grow ecbeing BtoB by fully entering the B2B EC market.

In the IT Solutions business, Softcreate Holdings focuses on security as a pillar of growth. It positions the Microsoft business and AI business as two additional pillars. In the security business, the company will provide consulting around corporate security, from pre-implementation consulting to post-implementation support. In the Microsoft business, the company will provide one-stop services for the design, construction, operation, and utilization of Microsoft 365 as a fundamental solution for collaboration, security, and productivity improvement.

In the AI business, Softcreate Corp. will focus on Safe AI Gateway (released in February 2024) and Safe AI Bot (released in May 2024), both of which the company created. Safe AI Gateway is a service developed to enable companies to safely and easily use generative AI. Through its unique interface, Safe AI Gateway makes it possible to easily introduce and use cutting-edge AI generation technologies such as ChatGPT without worrying about information leakage or security risks. Safe AI Bot is a product derived from the chatbot function of Safe AI Gateway; it allows users to upload files such as product catalogs and query histories to create a generative AI chatbot that can be installed on their own websites in as little as one minute. The company intends to expand its IT Solutions business by combining technology and solutions to create unprecedented added value and new business opportunities.

Business

Business description

Softcreate Holdings (TSE Prime: 3371) provides integrated support for e-commerce businesses, covering areas such as e-commerce site development, marketing, and data analysis. It also offers IT solutions, including infrastructure construction, operation, and maintenance, primarily for SMEs. The company's main product, the e-commerce site development package *ecbeing*, has been used to build over 1,600 e-commerce sites in Japan. According to the company's materials, the 2025 SaaS/PaaS E-commerce Site Development Market Share Survey (by value) by Fuji Chimera Research Institute projects that Softcreate Holdings will hold a 43.7% share, maintaining the top share in the e-commerce site development market for the 18th consecutive year. In FY03/25, revenue was JPY31.0bn (+10.9% YoY), and operating profit was JPY5.5bn (+6.4% YoY). CAGR over the ten years through FY03/25 was 10.8% for revenue and 15.9% for operating profit.

The company's predecessor was established in August 1969 to provide real estate services. In May 1983, the company pivoted by opening a PC store, *Softcreate*, in Shibuya, Tokyo. In April 1985, recognizing that corporate clients accounted for most of the PC market at that time, the company launched contracted system integration services for corporate clients, laying the groundwork for the current IT Solutions business. In December of the same year, it changed its name to *Softcreate Corp.* In January 1999, the company opened a PC-related e-commerce site, *Tokka COM*, to begin its e-commerce business. In October of the same year, the company began selling an e-commerce site development package created with the know-how gained from the *Tokka COM* system, laying the groundwork for the current EC Solutions business. In April 2009, the company transferred *Tokka COM*, and in October 2012, adopted a pure holding company structure, changing its name to *Softcreate Holdings Corp.*

Overview by segment

Softcreate Holdings' business comprises two segments: EC Solutions and IT Solutions. Five consolidated subsidiaries belong to the EC Solutions business, and four belong to the IT Solutions business. In FY03/25, the EC Solutions business accounted for 53.7% of total revenue, the IT Solutions business accounted for 46.3%. For recurring profit (before adjustments), these figures were 57.6% and 42.4%, respectively. The revenue (before adjustments) CAGR for the 10 years through FY03/25 was 12.3% for the EC Solutions business and 9.3% for the IT Solutions business (prior to FY03/20, the sum of the System Integration and Merchandise Sales businesses). CAGRs for recurring profit (before adjustments) over the same period were 13.0% for the EC Solutions business and 15.6% for the IT Solutions business.

Subsidiary *visumo Inc.* (TSE Growth: 303A), which provides a visual marketing platform service, listed on the Tokyo Stock Exchange Growth Market on December 26, 2024. The company's equity interest ratio in *visumo* declined from 98.33% prior to the listing to 53.01%.

Subsidiaries	Equity interest ratio	Business	Main products and services
EC Solutions business			
<i>Ecbeing Corp.</i>	100.0%	e-commerce solution	<i>ecbeing</i>
<i>visumo Inc.</i>	53.0%	Development and sale of visual marketing tools	<i>visumo</i>
<i>ReviCo Inc.</i>	100.0%	Review marketing	<i>ReviCo</i>
<i>AtoJ, Inc.</i>	79.3%	Content marketing	<i>Mercart, SiteMiraiZ</i>
<i>Zen-noh EC Solutions Corp</i>	51.0%	Operation of JA Town	Operation of the ZEN-NOH Group's e-commerce site
IT Solution business			
<i>Softcreate Corp.</i>	100.0%	System integration	<i>SCCloud, L2Blocker</i>
<i>Atled Corp.</i>	51.3%	Workflow	<i>X-point, Agileworks</i>
<i>Exgen Networks</i>	81.4%	Software development and sales	Identity management
<i>System Works Japan</i>	73.7%	Software development and sales	Contracted software development

Source: Shared Research based on company data

Revenue/recurring profit by segment (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Revenue	12,277	13,724	15,597	19,358	23,811	24,238	21,227	24,254	27,912	30,952
YoY	2.8%	11.8%	13.6%	24.1%	23.0%	1.8%	-12.4%	14.3%	15.1%	10.9%
EC Solutions business	5,838	6,448	7,205	8,850	10,876	11,692	11,588	13,319	15,544	16,621
YoY	2.9%	10.5%	11.7%	22.8%	22.9%	7.5%	-0.9%	14.9%	16.7%	6.9%

% of revenue	47.6%	47.0%	46.2%	45.7%	45.7%	48.2%	54.6%	54.9%	55.7%	53.7%
IT Solution business	-	-	-	-	-	12,546	9,639	10,935	12,368	14,331
YoY	-	-	-	-	-	-	-23.2%	13.4%	13.1%	15.9%
% of revenue	-	-	-	-	-	51.8%	45.4%	45.1%	44.3%	46.3%
System Integration business	2,620	3,262	4,045	5,291	6,149	-	-	-	-	-
YoY	2.6%	24.5%	24.0%	30.8%	16.2%	-	-	-	-	-
% of revenue	21.3%	23.8%	25.9%	27.3%	25.8%	-	-	-	-	-
Merchandise Sales businesses	3,819	4,014	4,346	5,217	6,787	-	-	-	-	-
YoY	2.9%	5.1%	8.3%	20.0%	30.1%	-	-	-	-	-
% of revenue	31.1%	29.3%	27.9%	26.9%	28.5%	-	-	-	-	-
Recurring profit	1,556	1,620	1,793	2,010	2,442	3,247	4,162	4,489	5,356	5,764
YoY	2.0%	4.1%	10.7%	12.1%	21.5%	33.0%	28.2%	7.9%	19.3%	7.6%
Recurring profit margin	12.7%	11.8%	11.5%	10.4%	10.3%	13.4%	19.6%	18.5%	19.2%	18.6%
EC Solutions business	1,352	1,368	1,642	1,618	1,739	2,394	3,123	3,365	3,963	4,073
YoY	18.9%	1.2%	20.0%	-1.5%	7.5%	37.6%	30.5%	7.8%	17.8%	2.8%
Recurring profit margin (before adjustment)	23.2%	21.2%	22.8%	18.3%	16.0%	20.5%	26.9%	25.3%	25.5%	24.5%
% of Recurring profit (before adjustment)	62.4%	58.6%	61.3%	50.3%	47.8%	54.9%	56.5%	56.2%	58.3%	57.6%
IT Solution business	-	-	-	-	-	1,969	2,402	2,619	2,835	2,997
YoY	-	-	-	-	-	-	22.0%	9.1%	8.2%	5.7%
Recurring profit margin (before adjustment)	-	-	-	-	-	15.7%	24.9%	24.0%	22.9%	20.9%
% of Recurring profit (before adjustment)	-	-	-	-	-	45.1%	43.5%	43.8%	41.7%	42.4%
System Integration business	734	864	950	1,556	1,796	-	-	-	-	-
YoY	-23.2%	17.8%	9.9%	63.8%	15.4%	-	-	-	-	-
Recurring profit margin (before adjustment)	28.0%	26.5%	23.5%	29.4%	29.2%	-	-	-	-	-
% of Recurring profit (before adjustment)	33.9%	37.0%	35.5%	48.4%	49.3%	-	-	-	-	-
Merchandise Sales businesses	80	102	86	43	106	-	-	-	-	-
YoY	16.3%	28.1%	-15.7%	-50.0%	147.2%	-	-	-	-	-
Recurring profit margin (before adjustment)	2.1%	2.5%	2.0%	0.8%	1.6%	-	-	-	-	-
% of Recurring profit (before adjustment)	3.7%	4.4%	3.2%	1.3%	2.9%	-	-	-	-	-
Adjustments	-609	-714	-885	-1,207	-1,200	-1,116	-1,363	-1,496	-1,443	-1,306
Depreciation	270	315	344	375	431	495	665	760	922	1,212
EC Solutions business	113	134	150	166	188	200	219	275	323	445
IT Solution business	-	-	-	-	-	263	414	453	559	709
System Integration business	124	147	166	178	213	-	-	-	-	-
Merchandise Sales businesses	2	3	3	3	3	-	-	-	-	-
Adjustments	31	31	25	27	28	32	31	32	39	58
Investment in equity-method affiliates	168	196	356	565	612	534	598	690	744	855
EC Solutions business	168	196	269	304	341	405	447	500	546	636
IT Solution business	-	-	-	-	-	129	151	189	198	219
System Integration business	-	-	87	261	271	-	-	-	-	-
Merchandise Sales businesses	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Amortization of goodwill	-	-	-	181	241	289	60	-	-	-
EC Solutions business	-	-	-	181	241	241	60	-	-	-
IT Solution business	-	-	-	-	-	48	-	-	-	-
System Integration business	-	-	-	-	-	-	-	-	-	-
Merchandise Sales businesses	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Increase in tangible and intangible fixed assets	459	370	386	1,111	356	472	814	1,221	1,318	1,884
EC Solutions business	155	154	207	911	243	165	311	458	495	610
IT Solution business	-	-	-	-	-	283	450	669	782	1,078
System Integration business	297	183	163	157	60	-	-	-	-	-
Merchandise Sales businesses	-	5	1	3	1	-	-	-	-	-
Adjustments	6	28	15	40	51	24	52	94	41	196

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

EC Solutions business

The EC Solutions business provides e-commerce businesses with integrated services ranging from the construction and maintenance of e-commerce sites to marketing and data analysis after the sites are built. Ecbeing Corp., which sells the company's mainstay e-commerce site development package ecbeing, and four other consolidated subsidiaries form the core of this business. Revenue is divided into three categories: e-commerce site development (66.3% of segment revenue in FY03/25), digital marketing (20.8%), and e-commerce cloud services (12.8%).

Subsidiaries	Equity interest ratio	Business	Main products and services
EC Solutions business			
Ecbeing Corp.	100.0%	e-commerce solution	ecbeing
visumo Inc.	53.0%	Development and sale of visual marketing tools	visumo
Revico Inc.	100.0%	Review marketing	ReviCo
AtoJ, Inc.	79.3%	Content marketing	Mercart, SiteMiraiZ
Zen-noh EC Solutions Corp	51.0%	Operation of JA Town	Operation of the ZEN-NOH Group's e-commerce site

Source: Shared Research based on company data

Principal subsidiaries (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Ecbeing Corp.										
Revenue	5,809	6,412	7,049	7,828	9,681	10,275	10,329	11,820	13,390	14,540
YoY	3.0%	10.4%	9.9%	11.1%	23.7%	6.1%	0.5%	14.4%	13.3%	8.6%
Recurring profit	857	787	875	1,019	1,060	1,688	2,149	1,308	1,491	1,833
YoY	37.5%	-8.1%	11.1%	16.5%	4.0%	59.2%	27.3%	-39.1%	13.9%	23.0%
Recurring profit margin	14.8%	12.3%	12.4%	13.0%	11.0%	16.4%	20.8%	11.1%	11.1%	12.6%
Net income	541	529	572	703	718	1,133	1,411	956	1,108	1,393
YoY	37.0%	-2.2%	8.0%	23.1%	2.0%	57.9%	24.5%	-32.3%	15.9%	25.8%
Net margin	9.3%	8.3%	8.1%	9.0%	7.4%	11.0%	13.7%	8.1%	8.3%	9.6%
Net assets	2,179	2,444	2,804	3,280	3,569	4,126	4,500	4,084	4,554	5,440
Total assets	3,235	3,738	4,497	5,068	5,651	6,511	7,285	6,438	7,750	8,669

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

EC Solutions business (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Revenue (external sales)	5,838	6,448	7,205	8,850	10,876	11,692	11,588	13,319	15,544	16,621
YoY	2.9%	10.5%	11.7%	22.8%	22.9%	7.5%	-0.9%	14.9%	16.7%	6.9%
E-commerce site development							7,940	9,270	10,390	11,020
YoY							-	16.8%	12.1%	6.1%
% of revenue							68.5%	69.6%	66.8%	66.3%
Digital marketing							2,720	2,790	3,480	3,460
YoY							-	2.6%	24.7%	-0.6%
% of revenue							23.5%	20.9%	22.4%	20.8%
E-commerce cloud services							920	1,250	1,670	2,130
YoY							-	35.9%	33.6%	27.5%
% of revenue							7.9%	9.4%	10.7%	12.8%
Gross profit							4,770	5,590	6,590	-
YoY							-	17.2%	17.9%	-
Gross profit margin							41.2%	42.0%	42.4%	-
E-commerce site development							3,130	3,410	3,910	-
YoY							-	8.9%	14.7%	-
Gross profit margin							39.4%	36.8%	37.6%	-
% of gross profit							65.6%	61.0%	59.3%	-
Digital marketing							1,090	1,500	1,810	-
YoY							-	37.6%	20.7%	-
Gross profit margin							40.1%	53.8%	52.0%	-
% of gross profit							22.9%	26.8%	27.5%	-
E-commerce cloud services							550	680	870	-
YoY							-	23.6%	27.9%	-
Gross profit margin							59.8%	54.4%	52.1%	-
% of gross profit							11.5%	12.2%	13.2%	-
Recurring profit	1,352	1,368	1,642	1,618	1,739	2,394	3,123	3,365	3,963	4,073
YoY	18.9%	1.2%	20.0%	-1.5%	7.5%	37.6%	30.5%	7.8%	17.8%	2.8%
Recurring profit margin	23.2%	21.2%	22.8%	18.3%	16.0%	20.5%	26.9%	25.3%	25.5%	24.5%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Building e-commerce sites

ecbeing e-commerce site development package

E-commerce site development mainly includes the ecbeing e-commerce site development package and its customization, maintenance, and hosting services. The ecbeing package includes the standard functions required for an e-commerce site, such as cart functions, order and revenue management, and customer management, but customization can be added to create a unique e-commerce site. While there is freedom for customization, it has the advantage of

significantly reducing implementation costs and time compared to systems developed from scratch. Notably, ecbeing was originally developed based on the company's experience in running its own shopping website. This background enabled ecbeing to provide the essential functions needed by e-commerce businesses from the very beginning, including additional customization using its own resources and 24-hour year-round maintenance. Shared Research understands that this comprehensive provision has contributed to ecbeing's current substantial market share.

The ecbeing suite comprises five products that target different business models of the company's e-commerce clients. For B2C e-commerce businesses, the company offers two products: ecbeing, a fully customizable flagship package, and Mercart, a cloud-based service for small startups. For B2B e-commerce businesses, the company offers two products: ecbeing BtoB, a fully customizable package, and ecWorks, a cloud-based service for small startups. The company also provides MALL, another fully customizable package, for shopping mall-type e-commerce businesses. According to the company, most of their cumulative clients have used the B2C ecbeing product among the five ecbeing products. However, in recent years, about half of the new clients have been adopting ecbeing BtoB. The company classifies revenue from Mercart under e-commerce cloud services.

Business model	B2C	B2C small startups	B2B	B2B small startups	Mall
Products and services	ecbeing	Mercart	ecbeing BtoB	ecWorks	MALL
Features	Fully customized model	Cloud	Fully customized model	Cloud	Fully customized model
	Comprehensive standard features	Non-customized model	Quotation issuance and credit management	For first-time B2B websites	Multiple store locations
	Scalability for adding features	Automatic version upgrades	Corporate member management	Integration with core data systems	Sales management for each store
		Compatible with migration to ecbeing	Bulk product ordering	Compatible with migration to ecbeing BtoB	Store-specific pages

Source: Shared Research based on company data

Ecbeing is a one-stop e-commerce service that provides a range of functions, from the creation of an e-commerce site to operational support after the site is built. The company proposes site construction tailored to its clients' needs based on its experience and know-how cultivated through past work and accomplishments. After building an e-commerce site, the company provides a wide range of support services to enhance sales, including advertising, marketing, and branding site creation. Further, the company has established its own infrastructure specialized for e-commerce site operations in a highly stable and secure cloud environment, and provides 24-hour, 365-day support by its employees, as well as measures to ensure stable e-commerce site operations, handle heavy traffic, and maintain security. With a development team of approximately 650 and a marketing support team of approximately 300 personnel, mainly in-house, the company is able to avoid development schedule delays and resource shortages that could reduce development capacity. Meanwhile, it can also provide marketing support tailored to client needs.

The company has used ecbeing to build a total of over 1,600 e-commerce sites. Clients are mainly medium to large companies in the apparel, food, and retail industries. The company acquires projects through inbound sales via the Internet and at trade shows. Approximately 650 developers, including those stationed at the company from partner companies, and approximately 300 marketing support personnel work to provide ecbeing almost exclusively through direct sales to clients. According to the company, these personnel mainly handle additional customization for existing clients, and only about 20% of them are available for new clients.

	Industry	Major adopting companies
B2C	Apparel	ABC-Mart, Inc., Citizen Watch Co., Ltd., Workman Co., Ltd., Honeys Holdings Co., Ltd.
	Food	Ito En, Ltd., DyDo Group Holdings, Inc., Sapporo Holdings Limited, Nichirei Corporation
	Retail	J. Front Retailing Co. Ltd., Kohnan Shoji Co., Ltd., Tomy Company, Ltd., Capcom Co., Ltd.
	Cosmetics	Kosé Corporation, Noevir Holdings Co., Ltd., Taisho Pharmaceutical Co., Ltd., Milbon Co., Ltd.
Mall		Japan Airlines Co., Ltd., All Nippon Airways Co., Ltd., Central Japan Railway Company, West Japan Railway Company
B2B		Konica Minolta, Inc., AGC Inc.

Source: Shared Research based on company materials

The ecbeing business model is based on a packaged product that incorporates a variety of standard functions, with additional functions customized to meet client needs. The company also offers the latest marketing and analytical tools as optional microservices (services that are subdivided by function) that are automatically updated. The standard functionality includes basic features such as order management, product and inventory management, sales management,

customer management, shopping cart functions, and payment functions. Optional microservice features include data marketing tools and AI-based recommendation tools.



Source: Softcreate Holdings Corp. website

Main standard functions	Function	Summary
E-commerce site (front-end)	Minimum two-click purchasing	Prevents customer abandonment with smooth purchasing
	Rich suggestions	Suggest products related to keywords with images and introduction text
	Various ways to sell products	Support for discounts, free shipping, discounts from set sales, etc.
	Multifaceted product appeal	Rankings, recommendations, categories, genres, specials, etc.
	Subscriptions and gifts	Dedicated functions for subscription and one-time orders, and gift functions
	Optimization of input form for member registration	Prevents abandonment by immediately displaying incorrectly input items
	Social login	Allows users to log in to the e-commerce site with their social media or LINE accounts
	Information consolidation on My Page	Consolidates membership rank, points held, order status, inquiry history, etc.
	Various payment methods	Credit card payment, deferred payment, cash on delivery, etc.
	Reviews and surveys	Standard equipment of review and survey functions to collect customer feedback
Administration screen (back-end)	Order status at a glance	Order status can be checked and acted upon immediately from the top of the administration screen
	Proxy orders	Orders received by the call center can be entered from the administration screen
	Member management and segmentation	Members can be narrowed down by various attributes, such as sex, number of purchases, and whether they have purchased eligible products
	Campaign measures	Enables various measures such as issuing coupons, discounts and price reductions, and awarding points
	E-mail distribution	Sends e-mails to all members or specific groups of members for follow-up scenarios, etc.
	Abundant analysis functions specialized for e-commerce	Easy-to-understand visualization of results from revenue analysis to the results of policies
	What-you-see-is-what-you-get website management system	Pages can be created, edited, arranged, and posted without knowledge of HTML
	LP creation and blog function	Creation of purchase-integrated pages (LP) and blog posts
Multi-brand management	Grants the ability to change the design of each brand and display different products	
Administrator authority settings	Limits the functions available to each administrator and controls access according to their responsibilities	

Source: Shared Research based on company materials

Microservices	Service	Function
Omni-channel	OMO app	Store and e-commerce collaboration apps
	LINE Mini app	Store and e-commerce collaboration apps
	RESOMO	In-store and online customer service reservation management
	visumo snap/visumo comment	Staff submission and coding-free content production tools
Social media	ReviCo	Review collection and optimization tools
Media commerce	UNITE	Brand site management tools
	visumo social/visumo video	Visual marketing tools
	Site Miraiz	Media commerce management tools
	LIGHTNING SEARCH	High speed search engine
Personalization	AiReco	AI recommendations
	AI DIGITAL STAFF	AI chatbot
Analysis and CRM	Sechstant CDP	Customer data management and data marketing
	Sechstant CRM	CRM and marketing automation

Source: Shared Research based on company materials

Among five products, ecbeing for B2C e-commerce businesses offers the Middle Plan and the Enterprise Plan. The Middle Plan, which is suitable for e-commerce sites that require customization due to sales expansion, is positioned for e-commerce businesses with monthly revenue of JPY10mn or more. The Enterprise Plan, on the other hand, is designed for large-scale e-commerce businesses with monthly revenue of JPY50mn or more, and includes a marketing support system and enhancement support.

The startup plan for Mercart, a cloud-based non-customizable model, has initial fees starting at JPY190,000 and monthly fees starting at JPY49,000. The B2B startup plan of ecWorks, a cloud-based non-customizable model for B2B e-commerce businesses, has initial fees starting at JPY500,000 and the monthly fees starting at JPY130,000. The initial and monthly fees for ecbeing BtoB, a fully customizable model for B2B e-commerce businesses, and MALL, a model for shopping mall-type e-commerce businesses, are negotiable.

Plan	ecbeing		Mercart	ecWorks
	Middle plan	Enterprise plan	Startup plan	B2B Startup plan
Initial fee	Undisclosed	Estimate required	From JPY190,000	From JPY500,000
Monthly fee	Undisclosed	Undisclosed	From JPY49,000	From JPY130,000
Reference level of e-commerce revenue (monthly)	From JPY10mn	From JPY50mn	From JPY0	
24-hour, 365-day support	Y	Y	Y	
Dedicated cloud environment	Y	Y		
Dedicated project manager	Y	Y	Y	
Marketing support system		Y		
Enhancement support (ongoing improvements)		Y		

Source: Shared Research based on company materials

E-commerce site development revenue (JPY11.0bn in FY03/25, +6.1% YoY) consists of revenue from initial construction of e-commerce sites including the ecbeing package, monthly revenue from server usage fees and system maintenance fees, and revenue from additional customization work. Shared Research estimates that the average initial revenue per company, including the ecbeing package (JPY2.9mn), is around JPY30mn, and the average monthly revenue per company is around JPY400,000. In the company's case, completing an e-commerce site development is an average one-and-a-half to two-year project, resulting in additional customization revenue each year for around first two years after the initial construction. Shared Research estimates that e-commerce site development accounts for approximately 15% of the revenue, monthly revenue for approximately 55%, and additional customization revenue for approximately 30%.

Digital marketing

In digital marketing (FY03/25 revenue of JPY3.5bn, -0.6% YoY), the company provides branding website creation, promotional support, and marketing analysis services in response to client needs. According to the company, providing consulting services for e-commerce businesses together results in a high service retention rate and stable sales. The creation of brand websites generates one-time revenue, while monthly revenue from advertising and operation is recurring revenue. Ecbeing Corp. handles most of the company's digital marketing services, and Zen-Noh EC Solutions Corp., a subsidiary that operates the Zen-Noh Group's e-commerce site, also handles some areas.

According to the company, the cumulative support record is over 300 companies. Although not all, some companies that have implemented ecbeing use their consulting services. The company's strength in digital marketing is that its 300 in-

house marketing support members, who are well versed in e-commerce, can provide support in collaboration with its own development team, leveraging its accumulated best practices.

Support areas	Consulting/Marketing	Customer attraction	Site construction/enhancement	Analysis	CRM
Main areas	Market research	Media strategy/planning	Site construction	KPI setting	CRM planning
	Industry analysis	SEO	Content planning	KPI reporting	Designing scenarios for newsletters
	Formulating KPIs and KPIs	Listing ads	Campaign planning	Access analysis	Creation of newsletter templates
	Devising strategies	Remarketing ads	Page creation	Verification of ad effectiveness	Introduction of LINE
	Business consulting	Affiliate ads	Page updating	Customer analysis	Introduction of recommendation emails

Source: Shared Research based on company materials

E-commerce cloud services

E-commerce cloud services (FY03/25 revenue of JPY2.1bn, +27.5% YoY) includes microservices such as visumo, which is an integration service with Instagram and other platforms, and Mercart, which is a cloud-based e-commerce site development service for small e-commerce businesses. Revenue is mainly recurring revenue. According to the company, visumo accounts for roughly 40% of revenue, Mercart 20%, Site MiraiZ and Sechstant 15% each, and ReviCo less than 10%. As for the companies that run these services, visumo Inc. provides visumo, AtoJ, Inc. provides Mercart and Site MiraiZ, Ecbeing Corp. provides Sechstant, and ReviCo Inc. provides ReviCo.

visumo

visumo is a marketing platform that collects photos and videos from Instagram and X (formerly Twitter) and links them to products. More than 676 companies (active customers; as of end-FY03/25) have implemented the product.

Mercart

Mercart is a cloud-based e-commerce platform that allows clients to build sites in as little as two months at low cost, based on e-commerce's know-how. It mainly targets businesses that are building e-commerce sites for the first time.

Site MiraiZ

Site MiraiZ is a high-security content management system (CMS: a system for centrally storing and managing the text, images, design, and layout information that make up website content) with optimal functions for corporate website creation. It provides comprehensive support from website creation and operation to digital marketing, and has a track record of supporting over 1,600 websites.

Sechstant

Sechstant is a marketing tool that visualizes customer and purchase data and access logs for e-commerce sites, web advertising, and physical stores. By using Sechstant CDP, which manages store and e-commerce site data together and performs comprehensive marketing analysis, and Sechstant CRM, a marketing execution tool, clients can shift from analysis to policy execution in a single step.

ReviCo

ReviCo is a cloud-based review optimization tool that easily collects and analyzes reviews to improve services and marketing to enhance sales, attract more customers, and improve customer satisfaction. It has been adopted by more than 300 sites in the cosmetics, apparel, food, and other e-commerce businesses.

	visumo	Mercart	Site MiraiZ	ReviCo
Service summary	Visual marketing tool	Cloud-based e-commerce site development	High-security CMS	Review collection and optimization tool
Initial expenses	Undisclosed	From JPY190,000	From JPY500,000	From JPY200,000
Monthly expenses	Undisclosed	From JPY49,000	From JPY33,000	From JPY50,000

Source: Shared Research based on company materials

Cost structure

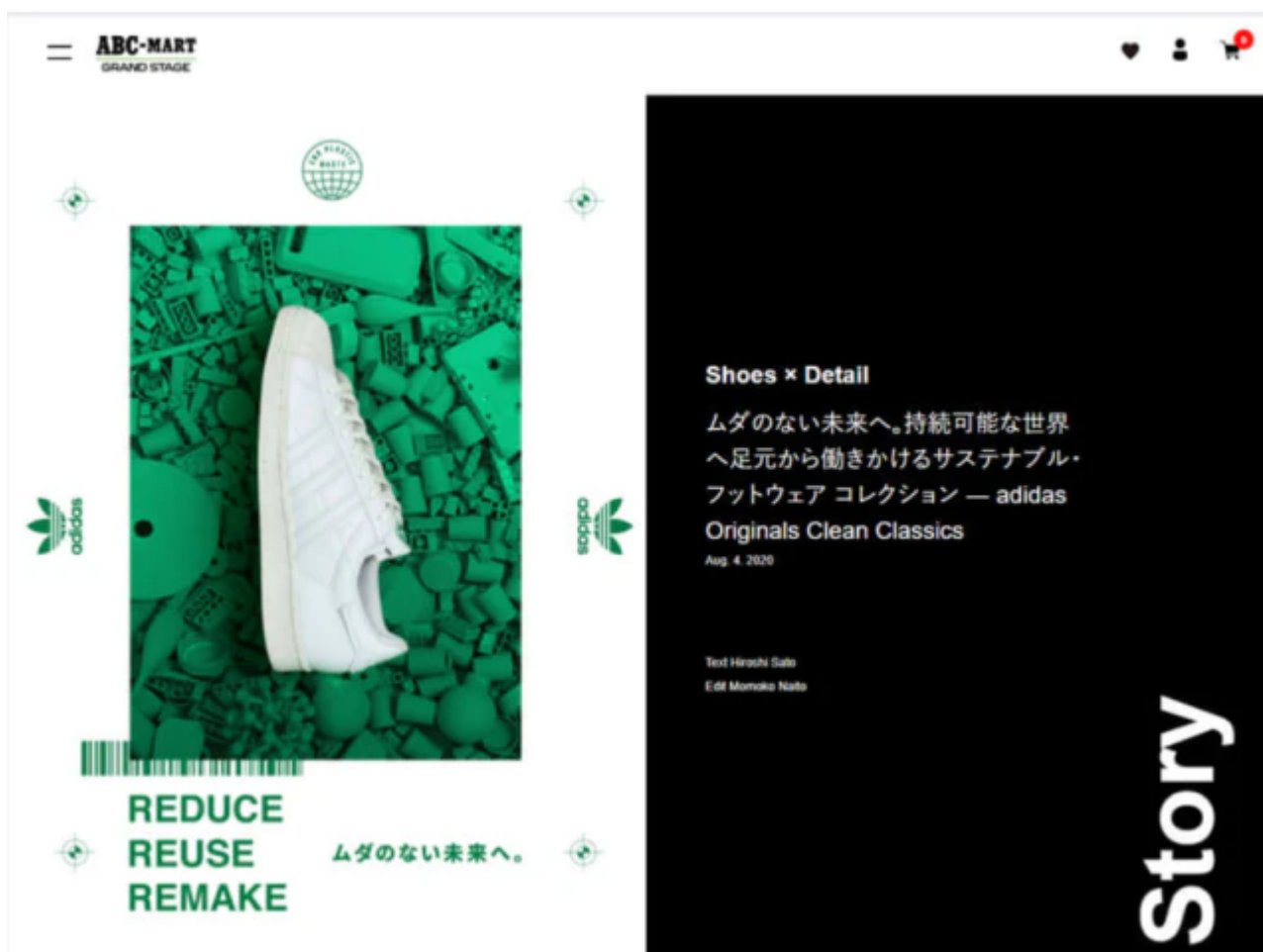
Expenses in the EC Solutions business consist mainly of labor and outsourcing costs for development and marketing personnel, server and data center costs, and software amortization. For data center functions, the company mainly uses Amazon Web Services (AWS) as well as housing services rented by the rack from data center operators. In FY03/24, the GPM by revenue category was 37.6% for e-commerce site development, 52.0% for digital marketing, and 52.1% for e-commerce cloud services. E-commerce site development accounted for 59.3% of gross profit, digital marketing for 27.5%, and e-commerce cloud services for 13.2%.

Shared Research understands that the relatively low GPM for e-commerce development is due to the labor-intensive structure of the initial construction and additional customization. On the other hand, both the digital marketing and e-commerce cloud services businesses have high GPM. This is attributed to earning commissions from advertisement placements being recorded as revenue in amounts equivalent to the company's gross profit, and the use of in-house developed software, respectively. Starting in FY03/25, the company ceased disclosing gross profit by sales category.

Major client portfolio

ABC-Mart, Inc. (TSE Prime: 2670; industry: retail-footwear and apparel)

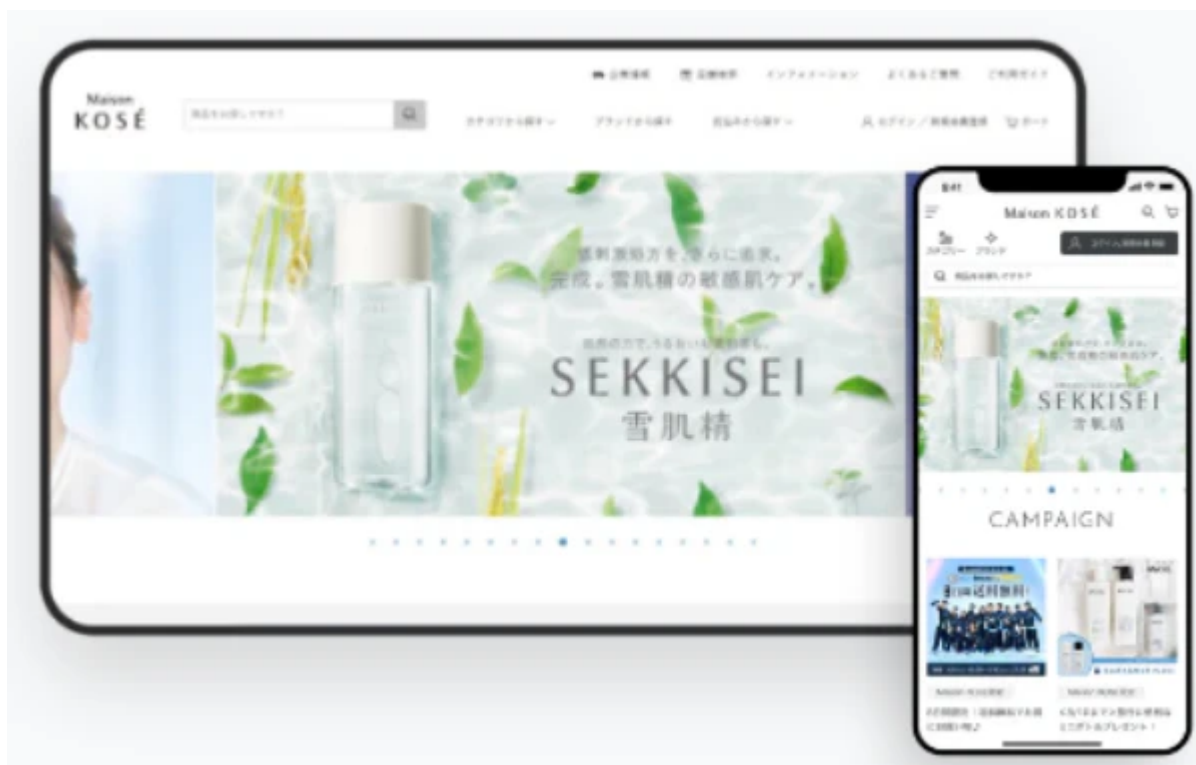
ABC-Mart, Inc. launched a new website differentiated from the existing ABC-Mart Online Store as a select store handling rare sneakers, boots, and wear. The project was motivated by the desire to reach new customers not only by offering a new product lineup, but also by implementing content marketing and turning the site into a media-based e-commerce hub. ABC-Mart decided to adopt ecbeing in this context to enable it to share membership data between the existing site and the new one and ensure a seamless shopping experience. With the introduction of the system, the peak number of unique users and sessions per month doubled from before the adoption of ecbeing, and revenue including from existing sites reached a record high.



Source: Softcreate Holdings Corporation website

KOSÉ Corporation (TSE Prime: 4922; industry: cosmetics and personal care)

KOSÉ Corporation had previously managed separate communications and marketing for each brand it handled, but as this information became more diverse, the company decided to create a unified platform to collect customer information and use it for marketing purposes. KOSÉ chose ecbeing to launch an online site that consolidated its brands and equipped a variety of features, as well as for the subsequent opening of a concept store. The launch led to a steady increase in the number of members and inflows, particularly in page views and the rate of circulation between brands. In addition, the site's Net Promoter Score (NPS), an indicator of customer loyalty, showed that Softcreate Holdings' work led to a highly rated product lineup.



Source: Softcreate Holdings Corp. website

IT Solutions business

In the IT Solutions business, the company proposes and builds information systems for SMEs with 100 to 3,000 employees. The business mainly comprises four consolidated subsidiaries centering on Softcreate Corp., which operates a system integration business, and Atled Corp. (TSE Standard: 3969), which provides workflow products to computerize various corporate workflows. The segment's revenue is divided into security and infrastructure development services (45.6% of FY03/25 segment revenue), IT packages (15.6%), IT cloud services (20.0%), and IT equipment (18.6%).

Subsidiaries	Equity interest ratio	Business	Main products and services
IT Solution business			
Softcreate Corp.	100.0%	System integration	SCCloud, L2Blocker
Atled Corp.	51.3%	Workflow	X-point, AgileWorks
Exgen Networks Co., Ltd.	81.4%	Software development and sales	Identity management
System Works Japan Co., Ltd.	73.7%	Software development and sales	Contracted software development

Source: Shared Research based on company data

Principal subsidiaries (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Atled Corp. (TSE Standard:3969)										
Revenue	845	962	1,107	1,448	1,623	1,924	2,114	2,167	2,501	2,766
YoY	17.9%	13.8%	15.1%	30.8%	12.1%	18.6%	9.8%	2.5%	15.4%	10.6%
Packaged software		795	860	1,107	1,164	1,323	1,373	1,295	1,427	1,405
YoY		-	8.2%	28.7%	5.1%	13.7%	3.8%	-5.7%	10.2%	-1.5%
% of revenue		82.7%	77.7%	76.4%	71.7%	68.7%	65.0%	59.8%	57.1%	50.8%
X-point				427	444	430	387	326	290	242

YoY	4.0%	-3.2%	-10.0%	-15.8%	-11.0%	-16.6%						
	% of revenue					29.5%	27.4%	22.3%	18.3%	15.0%	11.6%	8.7%
	AgileWorks					679	719	893	985	969	1,136	1,162
	YoY						5.9%	24.2%	10.3%	-1.6%	17.2%	2.3%
	% of revenue					46.9%	44.3%	46.4%	46.6%	44.7%	45.4%	42.0%
	One-time revenue					427						
	YoY											
	% of revenue					38.6%						
	Recurring revenue					433						
	YoY											
	% of revenue					39.1%						
	Cloud services			166	246	341	458	600	739	871	1,073	1,360
	YoY			-	48.2%	38.6%	34.3%	31.0%	23.2%	17.9%	23.2%	26.7%
	% of revenue			17.3%	22.2%	23.5%	28.2%	31.2%	35.0%	40.2%	42.9%	49.2%
	One-time revenue					28						
	YoY											
	% of revenue					2.5%						
	Recurring revenue					217						
	YoY											
	% of revenue					19.6%						
	Cost of revenue	218	242	281	319	378	461	501	496	720	926	
	YoY	-	11.2%	16.2%	13.3%	18.6%	21.9%	8.7%	-1.0%	45.2%	28.6%	
	Cost ratio	25.8%	25.2%	25.4%	22.0%	23.3%	24.0%	23.7%	22.9%	28.8%	33.5%	
	Labor costs	148	183	180	170	170	169	171	192	252	299	
	Subcontract processing costs	49	59	44	57	125	195	190	217	368	340	
	Various costs	141	161	199	220	291	279	340	417	549	737	
	Depreciation	94	108	131	145	173	148	170	205	267	340	
	Communication expenses	26	33	49	55	76	97	136	159	214	331	
	Rents	14	13	13	13	11	11	11	28	25	25	
	Other business	6	7	5	8	30	23	23	25	42	42	
	Transfer to other accounts	120	161	141	129	208	181	199	330	448	451	
	Gross profit	628	720	826	1,130	1,245	1,463	1,612	1,671	1,781	1,841	
	YoY	-	14.7%	14.7%	36.8%	10.2%	17.5%	10.2%	3.6%	6.6%	3.3%	
	Gross profit margin	74.2%	74.8%	74.6%	78.0%	76.7%	76.0%	76.3%	77.1%	71.2%	66.5%	
	SG&A expenses	356	431	501	615	657	680	705	672	731	783	
	YoY	-	21.3%	16.2%	22.8%	6.8%	3.6%	3.6%	-4.6%	8.8%	7.0%	
	SG&A ratio	42.1%	44.8%	45.3%	42.5%	40.5%	35.4%	33.3%	31.0%	29.2%	28.3%	
	Operating profit	272	288	325	514	588	783	908	999	1,050	1,058	
	YoY	-	6.1%	12.6%	58.4%	14.4%	33.1%	15.9%	10.1%	5.1%	0.8%	
	Operating profit margin	32.2%	30.0%	29.3%	35.5%	36.2%	40.7%	42.9%	46.1%	42.0%	38.3%	
	Recurring profit	272	279	324	490	588	791	909	1,000	1,054	1,061	
	YoY	21.0%	2.5%	16.4%	50.9%	20.2%	34.4%	14.9%	10.0%	5.4%	0.7%	
	Recurring profit margin	32.2%	29.0%	29.3%	33.8%	36.2%	41.1%	43.0%	46.1%	42.1%	38.4%	
	Net income	175	191	223	312	412	536	604	670	714	728	
	YoY	23.4%	9.0%	17.1%	39.9%	32.2%	29.8%	12.8%	10.9%	6.5%	2.0%	
	Net margin	20.7%	19.8%	20.1%	21.5%	25.4%	27.8%	28.6%	30.9%	28.5%	26.3%	
	Net assets	856	1,290	1,445	2,362	2,678	3,079	3,542	4,060	4,605	5,137	
	Total assets	1,263	1,822	2,012	3,159	3,498	4,042	4,590	5,027	5,727	6,268	
Softcreate Corp.												
	Revenue	6,486	7,042	8,202	9,910	12,228	11,487	8,141	9,650	10,756	11,420	
	YoY	3.7%	8.6%	16.5%	20.8%	23.4%	-6.1%	-29.1%	18.5%	11.5%	6.2%	
	Recurring profit	341	435	387	541	688	714	810	930	1,010	959	
	YoY	-12.0%	27.7%	-10.9%	39.7%	27.1%	3.9%	13.4%	14.9%	8.5%	-5.0%	
	Recurring profit margin	5.3%	6.2%	4.7%	5.5%	5.6%	6.2%	10.0%	9.6%	9.4%	8.4%	
	Net income	217	297	266	405	462	491	555	636	804	777	
	YoY	-12.8%	37.0%	-10.4%	52.4%	13.9%	6.5%	12.9%	14.7%	26.3%	-3.4%	
	Net margin	3.3%	4.2%	3.2%	4.1%	3.8%	4.3%	6.8%	6.6%	7.5%	6.8%	
	Net assets	1,156	1,345	1,466	1,795	1,984	2,655	2,796	2,906	3,302	3,709	
	Total assets	2,849	3,318	3,672	3,955	4,381	5,021	5,602	6,201	6,835	7,686	

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

IT Solution business (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Revenue (external sales)	6,439	7,276	8,391	10,508	12,936	12,546	9,639	10,935	12,368	14,331
YoY	2.8%	13.0%	15.3%	25.2%	23.1%	-3.0%	-23.2%	13.4%	13.1%	15.9%
Security infrastructure development							4,600	5,480	6,020	6,540
YoY							-	19.1%	9.9%	8.6%
% of revenue							47.7%	50.1%	48.7%	45.6%
IT package							1,750	1,740	1,800	2,230
YoY							-	-0.6%	3.4%	23.9%
% of revenue							18.2%	15.9%	14.6%	15.6%
IT cloud services							1,650	1,920	2,290	2,870
YoY							-	16.4%	19.3%	25.3%
% of revenue							17.1%	17.6%	18.5%	20.0%
IT equipment							1,630	1,790	2,250	2,660
YoY							-	9.8%	25.7%	18.2%
% of revenue							16.9%	16.4%	18.2%	18.6%
Gross profit							4,470	4,720	5,320	-
YoY							-	5.6%	12.7%	-
Gross profit margin							46.4%	43.2%	43.0%	-
Security infrastructure development							1,700	1,880	2,310	-
YoY							-	10.6%	22.9%	-
Gross profit margin							37.0%	34.3%	38.4%	-
% of gross profit							38.0%	39.8%	43.4%	-
IT package							1,350	1,370	1,370	-
YoY							-	1.5%	0.0%	-
Gross profit margin							77.1%	78.7%	76.1%	-
% of gross profit							30.2%	29.0%	25.8%	-
IT cloud services							750	830	890	-
YoY							-	10.7%	7.2%	-
Gross profit margin							45.5%	43.2%	38.9%	-
% of gross profit							16.8%	17.6%	16.7%	-
IT equipment							670	640	750	-
YoY							-	-4.5%	17.2%	-
Gross profit margin							41.1%	35.8%	33.3%	-
% of gross profit							15.0%	13.6%	14.1%	-
Recurring profit	813	966	1,036	1,599	1,902	1,969	2,402	2,619	2,835	2,997
YoY	-20.6%	18.8%	7.2%	54.4%	19.0%	3.5%	22.0%	9.1%	8.2%	5.7%
Recurring profit margin	12.6%	13.3%	12.3%	15.2%	14.7%	15.7%	24.9%	24.0%	22.9%	20.9%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

The business has more than 20,000 companies registered in its client database, of which about 3,000 companies do business with the company each year. The company acquires projects mainly through inbound sales via the internet and through trade shows and generates roughly 90% of its revenue through direct sales. The IT Solutions business targets SMEs and these clients often lack sufficient numbers of IT personnel. Softcreate Holdings ascertains their IT budgets and makes proposals to improve their IT environments, building relationships with them in the process. Shared Research believes that their commitment is the reason why the company has been able to achieve continuous top-line growth in this business, despite it being largely a one-time revenue model.

Security and infrastructure development

Softcreate Corp. handles security and infrastructure development (FY03/25 revenue of JPY6.5bn, +8.6% YoY). These services includes mainly LAN and other network construction, as well as security, maintenance, hosting services, and contract development using the company's generative AI service, "Safe AI Gateway." According to the company, about 60% of revenue is recurring revenue, including maintenance and hosting.

IT cloud services

IT cloud services (FY03/25 revenue of JPY2.9bn, +25.3% YoY) mainly include Atled Corp.'s workflow service X-point Cloud, Softcreate Corp.'s SCCloud, which provides server and other functions in a cloud environment, and L2BlockerCloud, a security service for internal networks. These services are recurring revenue-based. According to the company, about 50% of IT cloud services revenue is from X-point Cloud, about 40% from SCCloud, and the remainder mainly from L2BlockerCloud. X-point Cloud and L2BlockerCloud have been showing growth.

X-point Cloud

X-point Cloud is a cloud-based workflow service that digitizes various business procedures conducted within an organization, such as various applications and requests for approval, and can be used intuitively without the need to

code. The service is targeted at companies with approximately 500 employees, but has been adopted by companies with just a few employees and those with over 1,000 employees in a range of industries. In FY03/25, the service continuation rate among clients was 99.83%. The monthly fee consists of cloud usage fee of JPY20,000 plus JPY500 (before tax) per user. According to Deloitte Tohmatsu MIC Economic Research Institute's "Collaboration and Mobile Management Software Market Outlook 2024," X-point Cloud held the top share in the SaaS workflow market for 13 consecutive years with a 24.2% share.

SCCloud

SCCloud is a cloud service that allows clients to choose from SaaS, PaaS (platform as a service), IaaS (infrastructure as a service), and other services according to their operating environment and requirements. It is a one-stop service that provides application maintenance and support in addition to server environments. It can also be connected to a client's internal network or another company's cloud service, and the systems can be used in conjunction with each other.

L2BlockerCloud

L2BlockerCloud is a cloud-based service that detects and blocks access to the company network from unauthorized terminals, including not only Windows PCs, but also Mac, Linux, UNIX, iPhone, Android, and other smartphones and tablets. More than 2,000 companies in a variety of industries, including manufacturing, IT, services, healthcare, and education, have adopted the system (including the packaged version). The service consists of an L2B Manager and the required number of L2B Sensors, with monthly fees starting at JPY20,000 for the L2B Manager and JPY3,000 per unit for the L2B Sensors. There is also an initial fee equivalent to one month's monthly fee.

	X-point Cloud	L2BlockerCloud	
Initial cost	n.a.	Monthly usage fee for 1-month	
Monthly usage fee	JPY500 per user	L2B Manager	JPY20,000
	Cloud usage fee of JPY20,000	L2B Sensor (standard version)	JPY3,000 per unit
		L2B Sensor (tag VLAN version)	JPY9,000 per unit

Source: Shared Research based on company data

IT packages

IT packages (FY03/25 revenue of JPY2.2bn, +23.9% YoY) consist of Atled Corp.'s AgileWorks, a workflow product for large companies, Softcreate Corp.'s L2Blocker, and LDAP Manager of Exgen Networks from FY03/25. The increase in IT package revenue in FY03/25 was mainly driven by contributions from LDAP Manager. Revenue from AgileWorks also increased YoY amid the ongoing shift to cloud services.

AgileWorks

AgileWorks is a packaged workflow system that digitizes various business procedures within an organization, such as various types of applications and requests for approval. It is designed to accommodate large and complex organizational structures, making it highly resistant to reorganization, and it has excellent scalability, such as linking to core systems. AgileWorks is targeted at companies with 500 to 100,000 employees. The license cost is based on the number of concurrent users, and initial fees start at JPY2.4mn (before tax). Optional annual support services cost an additional 15% of the initial fee. Additional fees are charged for additional concurrent users.

Plan	Standard	Enterprise
Initial costs (excluding tax)	JPY2.4mn	JPY3.6mn
Annual support service fee	JPY360,000	JPY540,000
Concurrent user license count	5	5
Additional concurrent user licenses available	up to 200	unlimited

Source: Shared Research based on company data

IT equipment

IT equipment (FY03/25 revenue of JPY2.7bn, +18.2% YoY) includes products, such as PCs and third-party software, that the company purchases and sells to clients. Due to a change in revenue recognition standards, from FY03/22, IT equipment shipped directly from suppliers to clients is recorded as revenue in amounts equivalent to the company's gross profit.

Cost structure

The main expenses in the IT Solutions business are labor and outsourcing costs for security and infrastructure development services; labor, software amortization, and cloud-related data center costs for IT cloud services; development costs for IT packages; and purchasing costs for IT equipment. For data center needs, the IT Solutions business mainly uses housing services rented by the rack from data center operators together with the EC Solutions business, in addition to Amazon Web Services (AWS). In FY03/24, the GPM was 38.4% for security and infrastructure development services (43.4% of gross profit), 38.9% for IT cloud services (16.7% of gross profit), 76.1% for IT packages (25.8% of gross profit), and 33.3% for IT equipment (14.1% in gross profit). IT packages are mainly in-house products and have high GPMs partly because the company has made progress in recovering development costs. Starting in FY03/25, the company ceased disclosing gross profit by sales category.

Market and value chain

Market overview

Japan's e-commerce market

B2C e-commerce market

According to the "E-Commerce Market Survey" report published by the Ministry of Economy, Trade and Industry in August 2025, the B2C e-commerce market in 2024 was approximately JPY26.1tn, up 5.1% YoY. The market has continually expanded over the past 10 years, except for in 2020, when the service sector declined significantly due to a drop in travel and restaurant services as a result of the COVID-19 pandemic. From 2015 onward, it has achieved a 7.4% CAGR. In the field of merchandise sales, the e-commerce adoption rate in 2024 was 9.8%.

In 2024, the breakdown of the B2C e-commerce market by merchandise sales categories showed food, beverages, and alcohol up 6.4% YoY to approximately JPY3.1tn, clothing, accessories, and other goods up 4.7% YoY to JPY2.8tn, and home electronics, audiovisual equipment, PCs, and peripherals up 2.3% YoY to approximately JPY2.7tn, as the top three categories. Adding the fourth-largest category, household goods, furniture, and interior goods, which grew 3.6% YoY to JPY2.6tn, the top four categories were each worth over JPY2.5tn. They together accounted for about 74% of merchandise sales. By e-commerce adoption, books, and video and music content was the highest at 56.5%, followed by home electronics, audiovisual equipment, PCs, and peripherals, at 43.0%, and household goods, furniture, and interior goods, at 32.6%.

In the services sector, travel services, which accounted for about 43% of the market, increased 10.3% YoY to approximately JPY3.5tn, exceeding the level recovered in 2023 from the impact of COVID-19. In the digital services sector, online games accounted for approximately 47% of the market at approximately JPY1.3tn, but declined 0.6% YoY.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
B2C EC market size (JPYtn)	13.8	15.1	16.5	18.0	19.4	19.3	20.7	22.7	24.8	26.1
YoY	7.6%	9.9%	9.0%	9.0%	7.7%	-0.4%	7.4%	9.9%	9.2%	5.1%
Goods sector	7.2	8.0	8.6	9.3	10.1	12.2	13.3	14.0	14.7	15.2
YoY	6.4%	10.6%	7.5%	8.1%	8.1%	21.7%	8.6%	5.4%	4.8%	3.7%
EC penetration rate	4.8%	5.4%	5.8%	6.2%	6.8%	8.1%	8.8%	9.1%	9.4%	9.8%
Services sector	4.9	5.4	6.0	6.6	7.2	4.6	4.6	6.1	7.5	8.2
YoY	9.4%	9.2%	11.3%	11.6%	7.8%	-36.1%	1.3%	32.4%	22.3%	9.4%
Digital sector	1.6	1.8	1.9	2.0	2.1	2.5	2.8	2.6	2.7	2.7
YoY	8.1%	8.9%	9.5%	4.6%	5.1%	14.9%	12.4%	-6.1%	2.0%	1.0%

Source: Ministry of Economy, Trade and Industry, FY2024 E-Commerce Environment Improvement Project (E-Commerce Market Survey)

B2B e-commerce market

According to the E-Commerce Market Survey report published by the Ministry of Economy, Trade and Industry in August 2025, the B2B e-commerce market in 2024 was approximately JPY514.4tn, up 10.6% YoY, with an e-commerce adoption rate of 43.1%. Although it decreased in 2020 due to the COVID-19 pandemic, the CAGR for the 10 previous years was 6.7%. Wholesale is the largest industry in the B2B e-commerce market, with a market size of approximately JPY128.9tn in 2024, up 6.3% YoY, and accounting for approximately 25% of the total market. (The e-commerce adoption rate for wholesale in 2024 was 40.3%). This is followed by transportation equipment at JPY83.3tn (+13.3%) and electronic and information-related equipment at JPY50.4tn (+11.7%). The top three industries in terms of e-commerce adoption were transportation equipment at 88.6%, food products at 81.3%, and electronic and information-related equipment at 76.6%.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
B2B e-commerce market (JPYtn)	287.2	290.9	318.2	344.2	353.0	334.9	372.7	420.2	465.2	514.4
YoY	2.6%	1.3%	9.4%	8.2%	2.5%	-5.1%	11.3%	12.8%	10.7%	10.6%
EC penetration rate	27.4%	28.3%	29.4%	30.2%	31.7%	33.5%	35.6%	37.5%	40.0%	43.1%

Source: Ministry of Economy, Trade and Industry, FY2024 E-Commerce Environment Improvement Project (E-Commerce Market Survey)

E-commerce site development (customizable) market

According to Software Business New Market 2024 by Fuji Chimera Research Institute, Japan's e-commerce site development (customizable) market is expected to peak in 2023 in terms of volume and in 2024 in terms of value, with a downward trend anticipated from 2025 onwards. In contrast, the SaaS/PaaS market is projected to continue expanding beyond 2024, both in volume and value, driven by increasing adoption among SMEs due to its low initial costs and ease of maintenance. Shared Research understands that behind the anticipated decline of the e-commerce development package market beginning in 2025 is the fact that nearly all medium- to large-sized companies with e-commerce businesses that have large annual revenue have already been served. According to Softcreate Holdings, most of its new clients are replacing products and services of other companies, which confirms that the construction of new e-commerce sites by medium- to large-sized companies has almost run its course.

		2023	2024	2025	2026	2027	2028
		Results	Estimate	Forecast	Forecast	Forecast	Forecast
Quantity (companies)	Package	80	75	75	70	70	65
	YoY	-	-6.3%	0.0%	-6.7%	0.0%	-7.1%
	SaaS/PaaS	2,450	2,620	2,800	3,000	3,200	3,400
Price (JPYmn)	Package	2,200	2,250	2,200	2,200	2,150	2,150
	YoY	-	2.3%	-2.2%	0.0%	-2.3%	0.0%
	SaaS/PaaS	22,700	25,050	27,600	30,300	33,400	36,400
Total	YoY	-	10.4%	10.2%	9.8%	10.2%	9.0%
	Package	24,900	27,300	29,800	32,500	35,550	38,550
	YoY	-	9.6%	9.2%	9.1%	9.4%	8.4%

Source: Fuji Chimera Research Institute, Inc., Software Business New Market 2024

Japan's information services market

According to the Ministry of Economy, Trade and Industry's Survey of Selected Service Industries, revenue for the information services category totaled roughly JPY17.2tn in FY2023, up 6.4% YoY after survey coverage adjustments. By major business area, revenue from programming and other software development totaled about JPY12.4tn (+7.0% YoY), including JPY10.4tn (+8.2% YoY) for made-to-order software, of which JPY6.8tn (+9.6% YoY) was for system integration. Revenue from data processing totaled roughly JPY1.2tn (+8.0% YoY), and revenue from subcontracted system management was approximately JPY2.2tn (+3.9% YoY).

According to the Japan Information Technology Services Industry Association (JISA)'s "2024 Basic Statistics Survey on the Information Services Industry," which had 300 valid responses, the revenue composition ratios by client industry were as follows: Of total 2023 revenue of approximately JPY10.3tn (+6.5% YoY), the financial sector accounted for 28.6%, services 13.8%, manufacturing 15.5%, information services 12.2%, communications 6.7%, public bodies/municipalities 9.6%, computer manufacturers 1.6%, and others/unknown 12.0%.

Yano Research Institute, Ltd.'s "IT Investment by Domestic Companies 2024" (released November 21, 2024) gives the following forecasts for Japan's private-sector IT market. The market (including hardware, software, and services) was roughly JPY15.1tn (+6.3% YoY) in FY2023 and is projected to be JPY15.9tn (+5.6% YoY) in FY2024, JPY16.7tn (+5.0% YoY) in FY2025, and JPY17.1tn (+2.5% YoY) in FY2026. In FY2024, the survey forecasts continued replacement of core systems and servers, migration of systems to the cloud, and increased investment in practical digital transformation initiatives, such as data centralization and AI adoption. In FY2025 and FY2026, it anticipates growing demand for PC replacement and hardware expenditure following the termination of Windows 10 support in October 2025. Demand for new technologies, including AI and analytics, is also expected to rise.

Competitors

According to the 2025 SaaS/PaaS E-commerce Site Development Market Share Survey (by value) by Fuji Chimera Research Institute, Softcreate Holdings is projected to hold a 43.7% share, maintaining the top share in the e-commerce site development market for the 18th consecutive year (source: company materials). The second-largest share belongs to Salesforce Japan Co. Ltd., a subsidiary of Salesforce, Inc. (NYSE: CRM), at 23.8%, representing a significant gap with Softcreate Holdings. The third-largest player is W2 Co., Ltd. (unlisted), holding an 11.5% market share. According to the company, competition with peers has been increasing.

While many players operate in the IT solutions market, the company is particularly focused on JBCC Corporation (a wholly owned subsidiary of JBCC Holdings Corporation [TSE Prime: 9889]) and Japan Business Systems, Inc. (TSE Standard: 5036).

EC Solutions business

Looking at the industry, there are a variety of approaches to building e-commerce sites, ranging from development from scratch to using social media sites that allow companies to develop stores with no initial or monthly costs. E-commerce operators typically select the level of service they require based on the expected scale of their e-commerce revenue. If the aim is to expand annual revenue by enhancing the uniqueness of the e-commerce site, the availability of customization is also an important factor in choosing a site-building approach.

Softcreate Holdings' ebeing e-commerce site development package targets e-commerce businesses with annual revenue of over JPY100mn. Compared to developing software from scratch, which allows for full customization, the package, which is equipped with standard functions essential for e-commerce, has the advantage of greatly reducing initial costs. Open source and cloud e-commerce/SaaS from Japan and overseas are also suitable for companies with the same level of annual revenue as those using packages. However, the performance of the e-commerce site using these services depends on the competence and know-how of the vendor who builds the site, due to the absence of development personnel.

According to the company, some businesses that are considering expanding their e-commerce operations overseas are choosing overseas cloud e-commerce and SaaS, but due to limitations on customization, these businesses are often forced to adapt their operations to the e-commerce system. Moreover, clients are in many cases left to deal with problems themselves, and the providers cannot respond immediately due to a lack of resources. As a result of these issues, some e-commerce businesses are replacing their systems with ebeing, which offers customization to the client's business, a feature that is highly valued by clients running e-commerce businesses.

Construction method	Site annual sales	Initial costs	Monthly cost	Customization	Major companies and products
Full scratch	JPY5bn-	JPY several tens of mn-	JPY several hundreds of thousands-	Available	NTT Data, Accenture
Package	JPY100mn-	JPY5mn-	JPY100'000-	Available	ebeing, Commerce21
Open source	JPY100-500mn	JPY0 (excluding production costs, etc.)	JPY100'000-	Available	EC-CUBE
Paid ASP	-JPY100mn	-JPY100'000	-JPY100'000	Not available	Makeshop, FutureShop
Free ASP	-JPY100mn	JPY0	JPY0 (excluding fees)	Not available	BASE
Cloud EC/SaaS	JPY100mn-1bn	JPY3mn-	JPY100'000-	Available (some restrictions apply)	Mercart, Ebismart
Overseas cloud EC/SaaS	JPY100mn-3bn	JPY3mn-	JPY100'000-	Available (some restrictions apply)	W2, Shopify, Salesforce, CommerceCloud
SNS	-JPY100mn	JPY0	JPY0	Not available	Facebook, Instagram

Source: Shared Research based on company data

W2 Co., Ltd.

Established in September 2005, W2 Co., Ltd. (unlisted) provides e-commerce platform services, consulting, design, and e-commerce management services. According to its financial statement disclosure, W2 reported net revenue of JPY48mn, total assets of JPY1.9bn, and retained earnings of JPY667mn in FY08/23. Its four main products are the integrated e-commerce platform W2 Unified, the subscription and recurring sales-focused e-commerce shopping cart system W2 Repeat, the corporate transaction-compatible platform W2 B to B, and the overseas expansion solution W2 Asia. These platforms have been implemented across approximately 1,100 websites, ranging from startups to large enterprises. Targeting medium- to large-sized companies, W2 Unified offers over 1,000 functions, enabling advanced feature enhancements, service integration, and tailored customization.

Shopify Inc. (NYSE: SHOP)

Shopify is a Canadian company that provides a cloud-based e-commerce platform for creating and building e-commerce sites. Shopify is a simple, yet highly functional design platform. It allows users from sole proprietors to large companies to build e-commerce sites at no initial cost. Users can also leverage the platform's marketing functions to attract customers. The company has millions of stores in more than 170 countries around the world, with more than 37,000 stores in Japan as of March 2025 (source: Store Leads). In FY12/24, the company reported revenue (GAAP) of USD8.9bn, operating profit of USD1.1bn, and a GMV of USD292.3bn.

Shopify's advantages include low-cost e-commerce site operation, a wide variety of design templates, ease of starting cross-border e-commerce, and no need to switch platforms as the scale of business grows. In addition, the use of apps makes it possible to expand functions and respond to spikes in traffic. On the other hand, disadvantages include the need for knowledge of English for some functions, the time required for troubleshooting, the need for knowledge of HTML, and the lack of category hierarchies.

Shopify's pricing plans in Japan are Basic (JPY4,850/month), Shopify (JPY13,500/month), Advanced (JPY58,500/month), and Plus (minimum monthly fee of USD2,300 for a three-year contract), depending on the number of additional staff accounts, availability of 24-hour support, and inventory locations. The company offers up to a 25% discount for customers paying for an annual plan (excluding Plus).

Shopify pricing plans	Basic	Shopify	Advanced	Plus
Monthly fee	JPY4,850	JPY13,500	JPY58,500	USD2,300-
Online store	Full features	Full features	Full features	Full features
Additional staff accounts available	n.a.	5	15	unlimited
24/7 support	Live chat	Live chat	Live chat (feature extensions)	Priority support via phone or live chat
Inventory locations	10	10	10	200
Credit card fees	3.55%	3.4%	3.25%	2.9%

Source: Shopify Inc. website

*Monthly fee for Plus is the lowest rate for a three-year contract

Shopify Inc. (USDmn)	FY12/20	FY12/21	FY12/22	FY12/23	FY12/24
Revenue	2,929	4,612	5,600	7,060	8,880
YoY	-	57.4%	21.4%	26.1%	25.8%
Gross profit	1,542	2,481	2,754	3,515	4,472
YoY	-	61.0%	11.0%	27.6%	27.2%
Gross profit margin	52.6%	53.8%	49.2%	49.8%	50.4%
Operating profit	90	269	-822	-1,418	1,075
YoY	-	198.0%	-	-	-
Operating profit margin	3.1%	5.8%	-	-	-
GMV	119,600	175,362	197,167	235,910	292,275
YoY	-	46.6%	12.4%	19.6%	23.9%

Source: Shopify Inc. website

IT Solutions business

JBCC Corporation (100% subsidiary of JBCC Holdings Inc. [TSE Prime: 9889])

JBCC Corporation is an IT services company that supports the digital transformation of companies and a wholly owned subsidiary that forms the core of JBCC Holdings Inc. (TSE Prime: 9889). The company provides system design, construction, and operation centering on cloud services to mainly SMEs. It has built cloud systems for more than 2,400 companies, core systems ultra-high-speed development for more than 480 companies, and security infrastructure for more than 1,300 companies. JBCC Corporation belongs to the Information Solutions segment of its parent company, JBCC Holdings Inc.

JBCC Corporation (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Revenue	41,249	42,212	40,332	42,492	48,521	42,726	40,226	42,255	48,042	51,298
YoY	-7.1%	2.3%	-4.5%	5.4%	14.2%	-11.9%	-5.9%	5.0%	13.7%	6.8%
Recurring profit	1,025	1,344	1,435	1,765	2,687	1,921	1,508	2,593	3,225	3,918
YoY	130.3%	31.1%	6.8%	23.0%	52.2%	-28.5%	-21.5%	71.9%	24.4%	21.5%
Recurring profit margin	2.5%	3.2%	3.6%	4.2%	5.5%	4.5%	3.7%	6.1%	6.7%	7.6%
Net income attributable to owners of the parent	656	852	822	1,075	1,891	1,392	989	1,654	2,209	2,722
YoY	1461.9%	29.9%	-3.5%	30.8%	75.9%	-26.4%	-29.0%	67.2%	33.6%	23.2%
Net margin	1.6%	2.0%	2.0%	2.5%	3.9%	3.3%	2.5%	3.9%	4.6%	5.3%
Net assets	4,453	5,306	5,707	6,292	7,634	8,380	9,100	9,900	9,280	8,962
Total assets	15,267	16,210	15,113	17,146	19,737	18,274	18,896	19,956	20,079	20,093

Source: Shared Research based on JBCC Holdings Inc. securities report

JBCC Holdings posted a 7.2% YoY increase in revenue to JPY70.0bn and a 39.2% YoY increase in operating profit to JPY6.2bn in FY03/25. In the Information Solutions segment, system development projects, including large-scale

projects, performed well, and in services, recurring revenue businesses in cloud computing and security grew. In product development and manufacturing, subscription-type services centered on cloud data integration grew, while hardware such as printers continued to shrink. Operating profit reached a record high, mainly due to higher gross profit from increased revenue in Information Solutions.

JBCO Holdings Inc. (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Revenue	86,129	83,272	63,107	58,899	65,618	60,042	55,934	58,144	65,194	69,868
YoY	-6.3%	-3.3%	-24.2%	-6.7%	11.4%	-8.5%	-6.8%	4.0%	12.1%	7.2%
Information solutions	57,242	55,968	54,136	56,665	63,401	57,970	53,918	56,140	63,221	67,895
YoY	-9.0%	-2.2%	-3.3%	4.7%	11.9%	-8.6%	-7.0%	4.1%	12.6%	7.4%
Distribution	40,217	38,606	10,027	-	-	-	-	-	-	-
YoY	-11.5%	-4.0%	-74.0%	-	-	-	-	-	-	-
Product development and manufacturing	4,479	3,496	3,530	3,275	3,193	2,842	2,015	2,004	1,973	1,972
YoY	31.6%	-21.9%	1.0%	-7.2%	-2.5%	-11.0%	-29.1%	-0.5%	-1.5%	-0.1%
Adjustments	-15,810	-14,798	-4,587	-1,041	-976	-770	-	-	-	-
Gross profit	18,244	17,938	16,201	16,972	18,464	17,341	17,005	18,011	19,380	20,971
Gross profit margin	21.2%	21.5%	25.7%	28.8%	28.1%	28.9%	30.4%	31.0%	29.7%	30.0%
SG&A expenses	16,514	16,082	14,140	14,340	15,003	14,737	13,921	14,246	14,957	14,816
Salary	6,931	6,698	5,924	5,809	5,914	6,220	5,505	5,469	5,524	5,722
Bonuses	2,132	2,209	1,869	2,210	2,447	2,495	2,438	2,563	2,604	2,511
Retirement benefit expenses	480	516	428	371	366	304	292	276	278	259
Provision for doubtful accounts	-7	19	124	1	1	3	-3	1	7	1
R&D expenses	377	302	246	445	418	366	338	324	320	368
Other business	6,601	6,338	5,549	5,504	5,857	5,349	5,351	5,613	6,224	5,955
Operating profit	1,729	1,855	2,060	2,631	3,461	2,603	3,083	3,764	4,422	6,155
YoY	6.0%	7.3%	11.1%	27.7%	31.5%	-24.8%	18.4%	22.1%	17.5%	39.2%
Operating profit margin	2.0%	2.2%	3.3%	4.5%	5.3%	4.3%	5.5%	6.5%	6.8%	8.8%
Information solutions	2,142	2,671	3,299	3,885	4,716	3,880	4,245	4,945	5,815	7,523
YoY	25.0%	24.7%	23.5%	17.8%	21.4%	-17.7%	9.4%	16.5%	17.6%	29.4%
Operating profit margin	3.7%	4.8%	6.1%	6.9%	7.4%	6.7%	7.9%	8.8%	9.2%	11.1%
Distribution	424	265	-94	-	-	-	-	-	-	-
YoY	-30.0%	-37.5%	-135.5%	-	-	-	-	-	-	-
Operating profit margin	1.1%	0.7%	-0.9%	-	-	-	-	-	-	-
Product development and manufacturing	132	-28	56	60	91	-39	-25	77	63	91
YoY	-51.6%	-121.2%	-300.0%	7.1%	51.7%	-142.9%	-35.9%	-408.0%	-18.2%	44.4%
Operating profit margin	2.9%	-0.8%	1.6%	1.8%	2.8%	-1.4%	-1.2%	3.8%	3.2%	4.6%
Adjustments	-969	-1,053	-1,200	-1,314	-1,346	-1,237	-1,136	-1,258	-1,455	-1,459
Recurring profit	1,682	1,932	2,034	2,738	3,606	2,726	3,227	3,847	4,549	6,314
YoY	-0.4%	14.9%	5.3%	34.6%	31.7%	-24.4%	18.4%	19.2%	18.2%	38.8%
Recurring profit margin	2.0%	2.3%	3.2%	4.6%	5.5%	4.5%	5.8%	6.6%	7.0%	9.0%
Net income attributable to owners of the parent	436	1,269	1,186	1,782	1,951	1,931	2,245	2,679	3,187	4,603
YoY	34.6%	191.1%	-6.5%	50.3%	9.5%	-1.0%	16.3%	19.3%	19.0%	44.4%
Net margin	0.5%	1.5%	1.9%	3.0%	3.0%	3.2%	4.0%	4.6%	4.9%	6.6%
Consolidated number of employees	2,146	2,116	1,878	1,870	1,822	1,826	1,763	1,691	1,626	1,592
Information solutions	1,585	1,603	1,577	1,582	1,546	1,572	1,513	1,449	1,387	1,366
Distribution	173	188	-	-	-	-	-	-	-	-
Product development and manufacturing	216	194	175	171	161	146	135	133	130	118
Whole group (shared)	172	131	126	117	115	108	115	109	109	108

Source: Shared Research based on JBCO Holdings Inc. securities report

Japan Business Systems, Inc. (TSE Standard: 5036)

Japan Business Systems, Inc. (TSE Standard: 5036) was established in October 1990 as a provider of multi-vendor systems and was listed on the Tokyo Stock Exchange Standard Market in August 2022. Japan Business Systems now operates as an independent cloud integrator, providing consulting and IT services that leverage cloud solutions, primarily those from Microsoft.

Japan Business Systems operates through three business segments: cloud integration (CI), cloud services (CS), and license and products (L&P). In the CI segment, it primarily supports the implementation of Microsoft cloud solutions, including Microsoft Azure (Azure), Microsoft 365 (M365), Dynamics 365 (D365), and related cloud services. In the CS segment, Japan Business Systems provides comprehensive maintenance, operation, and optimization services across both cloud and on-premises IT environments, encompassing Azure, M365, and D365. In the L&P segment, it is engaged in the resale of cloud solutions, licenses, and related equipment, mainly centered on Azure, M365, and D365.

In FY09/24, revenue was JPY140.9bn (+24.9% YoY) and operating profit was JPY4.6bn (+9.6% YoY). Revenue was strong in the CI segment, supported by robust demand for cloud solutions; however, profit declined due to stagnant project unit prices and weaker subsidiary performance resulting from prolonged project durations. Revenue and profit grew in the CS segment, driven by the acquisition of new customers for cloud-managed services. Revenue and profit grew in the L&P segment, reflecting expanded contracts with major existing clients and growth in global support operations. By industry, revenue consisted of 25% from the financial and insurance sector, 45% from manufacturing and distribution, 17% from telecommunications and media, and 12% from services, public, and other sectors. The proportion of recurring revenue—comprising maintenance and operations income from continuing contracts in the CS segment and cloud license sales in the L&P segment—rose to 69%, up from 65% in FY09/23.

Japan Business Systems, Inc. (JPYmn)	FY09/20	FY09/21	FY09/22	FY09/23	FY09/24
	Parent	Parent	Parent	Cons.	Cons.
Revenue	68,247	74,954	86,325	112,800	140,858
YoY	-	9.8%	15.2%	30.7%	24.9%
Cloud integration	16,049	16,961	18,344	23,023	23,606
YoY	-	5.7%	8.2%	25.5%	2.5%
% of revenue	23.5%	22.6%	21.2%	20.4%	16.8%
Cloud services	10,581	10,745	13,371	15,403	18,930
YoY	-	1.5%	24.4%	15.2%	22.9%
% of revenue	15.5%	14.3%	15.5%	13.7%	13.4%
License and products	41,571	47,225	54,593	74,398	98,366
YoY	-	13.6%	15.6%	36.3%	32.2%
% of revenue	60.9%	63.0%	63.2%	65.9%	69.8%
Other	45	21	15	13	11
YoY	-	-53.3%	-28.6%	-13.3%	-15.4%
Adjustments	-	-	-	-39	-57
Gross profit	8,481	8,497	10,877	13,077	14,567
YoY	-	0.2%	28.0%	20.2%	11.4%
Gross profit margin	12.4%	11.3%	12.6%	11.6%	10.3%
SG&A expenses	6,968	6,223	6,825	8,884	9,974
Salaries and allowances	2,436	2,388	2,402	2,911	3,234
Provision for bonuses	384	334	373	451	490
Depreciation	112	100	94	-	-
Provision for doubtful accounts	-	-	-	8	185
Retirement benefit expenses	-	-	-	113	129
Provision for directors' retirement benefits	34	37	39	39	41
Provision for repairs	4	4	7	10	15
Other	3,998	3,360	3,910	5,352	5,880
Operating profit	1,513	2,273	4,052	4,192	4,593
YoY	-	50.2%	78.3%	3.5%	9.6%
Operating profit margin	2.2%	3.0%	4.7%	3.7%	3.3%
Cloud integration	1,690	2,087	2,800	3,537	2,985
YoY	-	23.5%	34.2%	26.3%	-15.6%
Operating profit margin	10.5%	12.3%	15.3%	15.4%	12.6%
Operating profit ratio	40.1%	46.2%	43.6%	46.7%	36.0%
Cloud services	1,222	1,487	1,781	1,983	2,854
YoY	-	21.7%	19.8%	11.3%	43.9%
Operating profit margin	11.5%	13.8%	13.3%	12.9%	15.1%
Operating profit ratio	29.0%	32.9%	27.7%	26.2%	34.5%
License and products	1,300	930	1,835	2,045	2,417
YoY	-	-28.5%	97.3%	11.4%	18.2%
Operating profit margin	3.1%	2.0%	3.4%	2.7%	2.5%
Operating profit ratio	30.8%	20.6%	28.6%	27.0%	29.2%
Other	3	11	7	6	5
YoY	-	266.7%	-36.4%	-14.3%	-16.7%
Operating profit margin	6.7%	52.4%	46.7%	46.2%	45.5%
Adjustments	-2,703	-2,242	-2,372	-3,381	-3,688
Recurring profit	1,822	2,363	4,252	4,349	4,587
YoY	-	29.7%	79.9%	2.3%	5.5%
Recurring profit margin	2.7%	3.2%	4.9%	3.9%	3.3%
Net income attributable to owners of the parent	833	1,560	2,647	3,350	1,514
YoY	-	87.3%	69.7%	26.6%	-54.8%
Net margin	1.2%	2.1%	3.1%	3.0%	1.1%
Consolidated number of employees	2,197	2,228	2,296	2,547	2,700
Cloud integration	-	-	1,108	1,198	1,195
Cloud services	-	-	678	747	848
Whole group(shared)	-	-	510	602	657

Source: Shared Research based on Japan Business Systems' annual securities report

Note: The revenue and operating profit composition ratios are presented on a pre-adjustment basis.

Strengths and weaknesses

Strengths

The company's strong emphasis on profit, swift adaptation to changes in the business environment, and meticulous selection of businesses and orders have led to sustained profit growth since its foundation.

Softcreate Holdings' predecessor was a real estate company established in 1969. In 1983, under the leadership of Masaru Hayashi, the de facto founder and current chairman, the company transformed into a PC store operator and launched an IT solutions business for corporate clients. In 1999, anticipating upcoming trends, the company withdrew from PC stores and launched an online shopping business. Based on the expertise gained in this venture, it launched the e-commerce solutions business in the same year. In 2009, the company sold its online shopping business, a step in a selection and concentration process that has gradually shaped its present business structure. The company has adopted a thoroughly profit-oriented strategy, swiftly exiting from existing businesses and developing new ones, as reflected in its current corporate slogan, "Speed & Change."

The uses of recurring profit and profit growth as its KPIs demonstrates that Softcreate Holdings prioritizes profit growth above all else. Shared Research understands that the company's continuous increase in recurring profit over the past 13 years (the period for which we were able to trace records), growing at a GAGR of 13.1%, indicates sound decision-making in business selection. In the industry, many competitors prioritize revenue growth to such an extent that their performance deteriorate due to unprofitable projects. In contrast, Softcreate Holdings has efficiently allocated its resources by selecting the most profitable ventures and shying away from those with a high risk of profitability deterioration. Shared Research believes that this rigorous focus on profitability is one of the company's strengths, contributing to sustainable profit growth.

The company was the first to offer e-commerce solutions services featuring additional customization and 24-hour, year-round support. Leveraging its extensive experience in e-commerce, the quality of these pioneering services has enabled it to capture approximately half of the market.

Softcreate Holdings developed the e-commerce site development package *ecbeing*, the main product of its e-commerce solutions business, based on the know-how gained through its past e-commerce business Tokka COM. When the company started selling *ecbeing* in 1999, several similar products were already on the market. However, *ecbeing* not only included standard functions but also offered additional customization and a 24/7/365 support system, whose needs the company recognized through the operation of Tokka COM, ahead of its competitors.

This was a service that e-commerce businesses unknowingly demanded. Shared Research understands product development based on the company's own e-commerce experience is a differentiating factor and a source of strength for the EC Solution business. The company's success in the market is a result of its accumulated client experiences, with over 1,600 sites built to date. This has led to the company holding the top market share (estimated at 43.7% in 2025) for 18 consecutive years.

High profit margins within the industry through sales transactions conducted directly with end-users

The company's IT Solutions business targets SMEs with 100–3,000 employees. It sells its products and services to clients almost exclusively via direct sales, similar to its EC Solutions business. Providing IT services to SMEs is often inefficient due to the small scale of projects, an area that major system integrators tend to avoid despite the large number of potential clients. However, the company accepts orders directly from SMEs by working closely with their IT staff, developing various proposals, and initiating new projects after ascertaining the client's IT budget.

The company has maintained high profitability in its IT Solutions business, with recurring profit margins of 19.2% in FY03/24 and 18.6% in FY03/25. This is attributed to its direct service model developed through experience selling directly to corporate clients during its PC store days. Over 20,000 client companies are registered in its end-user list, and it provides services directly to them. While providing IT services to SMEs tends to be inefficient, due to the small scale of individual projects despite the large number of clients, and it is often avoided by major system integrators, the company supports its clients in close collaboration with their IT staff, gaining insight into their IT budgets and developing business

by making tailored proposals. Through this approach, the company is able to win relatively uncontested, direct-deal projects and maintain high profit margins. Shared Research believes this structure allows the company to enjoy a favorable profitability environment. For reference, the average recurring profit margin of 75 SI service companies in FY03/24 was 12.88% (Source: Japan Information Technology Services Industry Association [JISA] 2024 Basic Statistics Survey on the Information Services Industry).

Weaknesses

The B2C e-commerce package market is expected to shrink, and the company's core products already have high market shares and limited room for growth

Due to the company's focus on allocating development resources toward additional customization for existing customers, it has limited capacity to dedicate significant resources to supporting new customers. According to Softcreate Holdings, most new projects come from clients switching from other providers, suggesting that demand for building new B2C e-commerce sites using packages has largely run its course. In fact, Fuji Chimera Research Institute projects that the package market will peak at JPY2.3bn in 2024 and subsequently enter a period of decline.

Conversely, the SaaS/PaaS market is expected to grow in both volume and value in 2024 and beyond, driven primarily by its widespread adoption among SMEs, due to its low introduction costs and ease of maintenance and management. The company offers the cloud-based Mercart service for businesses launching new B2C e-commerce sites; however, this is a highly competitive area, and its contribution to earnings has been limited. In the medium term, the company plans to focus on building B2B e-commerce sites, and Shared Research believes it can continue to secure revenue through additional customization for existing clients. That said, the slowing growth of the B2C package market poses a challenge for the company's core EC Solutions business. As the B2C package market matures, Shared Research recognizes the need for the company to further strengthen its presence in the SaaS/PaaS market.

Difficulty in increasing the number of new clients since the company prioritizes the allocation of development resources to additional customization for existing clients, which requires significant work

Although ecbeing is a packaged product for building e-commerce sites, Shared Research recognizes that the business is time-consuming and often requires significant additional customization beyond the standard functions. Softcreate Holdings, which has prioritized using in-house resources to build expertise, needs to allocate a large portion of its development staff to customization work. As a result, the company can only allocate about 20% of its personnel to serving new clients.

The IT Solutions business, where the company's sales staff and engineers support approximately 3,000 clients annually by working closely with the client's IT staff, is similarly labor-intensive, as the company builds relationships with clients, works to understand their IT budgets, and makes various proposals tailored to their IT environments. While the company's direct sales structure has enabled it to secure high profit margins, Shared Research understands that it is difficult to increase the number of new clients because many of its existing clients represent ongoing obligations.

The businesses in EC Solutions and IT Solutions are fundamentally different and require expertise in different areas, making it difficult to flexibly allocate human resources between the businesses

The company's EC Solutions business specializes in e-commerce site development and operation support, targeting medium to large companies. The IT Solutions business, on the other hand, provides services to meet a wide range of client needs, from network construction to security, cloud services, and equipment sales for small to medium-sized companies. Although they share some data center infrastructure, Shared Research understands that the EC Solutions and IT Solutions businesses are completely different businesses that require different sets of expertise.

Shared Research thinks that operating businesses in completely different areas can serve to significantly diversify management risk. However, we also understand that the situation can make it difficult for Softcreate Holdings to flexibly allocate personnel between businesses, whereas competitors with closely interconnected businesses can maintain and improve utilization rates by optimally allocating personnel. With an anticipated long-term shortage of IT engineers on the horizon, securing engineers and optimizing utilization rates are important factors for improving profitability and performance. Shared Research understands that one of the company's weaknesses lies in the structure of its businesses, which makes it difficult to share human resources when there is a disparity in the busy periods of the two businesses.

Historical results and financial statements

Historical results

Cumulative Q3 FY03/26 results

- Revenue: JPY25.2bn (+11.0% YoY)
- Operating profit: JPY4.6bn (+15.8% YoY)
- Recurring profit: JPY4.9bn (+18.3% YoY)
- Net income attributable to owners of the parent: JPY2.9bn (+14.9% YoY)

Summary

Revenue totaled JPY25.2bn (+11.0% YoY), operating profit was JPY4.6bn (+15.8% YoY), recurring profit was JPY4.9bn (+18.3% YoY), and net income attributable to owners of the parent was JPY2.9bn (+14.9% YoY). The cumulative Q3 progress rates against the full-year company forecast for FY03/26 were 75.1% for revenue (vs. 73.2%), 76.0% for operating profit (71.7%), 78.9% for recurring profit (71.8%), and 77.5% for net income (71.8%), slightly exceeding expectations. The company maintained its full-year forecast.

The company promoted the e-commerce site development platform and SaaS-based cloud services to enhance e-commerce sales. It also focused on expanding revenue in the EC Solutions and IT Solutions businesses by promoting Safe AI Gateway, a proprietary generative AI service, and SCCloud and X-point Cloud, internal information system services, all for corporate clients. As a result, revenue in cumulative Q3 FY03/26 increased 11.0% YoY to JPY25.2bn. By segment, revenue increased 8.7% to JPY13.4bn in the EC Solutions business and 13.8% to JPY11.8bn in the IT Solutions business.

Gross profit increased 10.3% YoY to JPY10.3bn. The gross profit margin declined 0.2pp YoY to 41.0%. SG&A expenses rose 6.4% YoY to JPY5.7bn, with the SG&A expense ratio decreasing 1.0pp to 22.8%. Personnel expenses rose JPY170mn, mainly due to base salary hikes and an increase in employees, including new graduates. Rent expenses increased JPY89mn due to office space expansion accompanying headcount growth. As a result, operating profit increased 15.8% YoY to JPY4.6bn, while the operating profit margin increased 0.7pp to 18.1%. Expenses rose by a lesser extent than forecast, reflecting lower-than-expected personnel expenses.

Amid growing concerns in the equity market anticipating the SaaS business model will collapse due to the rise of generative AI, the company sees an opportunity, as customers benefit from selecting the company as a partner to address security issues and operational challenges, particularly when they develop in-house e-commerce systems using AI without sufficient expertise or talent in e-commerce. Major companies with in-house development capabilities have already begun developing systems independently. IT equipment installation and construction in the IT Solutions business require physical work performed by personnel, so the company remains focused on leveraging AI rather than viewing it as a threat.

Results by segment

EC Solutions business

- Revenue: JPY13.4bn (+8.7% YoY)
- Recurring profit: JPY3.5bn (+14.4% YoY)

In the EC Solutions business, revenue increased 8.7% YoY to JPY13.4bn and recurring profit grew 14.4% YoY to JPY3.5bn, supported by higher revenue from e-commerce site development and e-commerce cloud services, with the sales of the latter positioned as an initiative to enhance e-commerce sales. The cumulative Q3 progress rate against the full-year forecast was 73.0% (73.9% in cumulative Q3 FY03/25 vs. full-year FY03/25 result).

Revenue from e-commerce site development increased 8.1% YoY to JPY8.9bn, reflecting higher sales from customization for existing customers. Orders for e-commerce site development comprised 55% B2C and 45% B2B. Digital marketing revenue rose 8.1% YoY to JPY2.7bn. Revenue from e-commerce cloud services grew 13.1% to JPY1.7bn.

Subsidiary visumo Inc. (TSE Growth: 303A) provides a visual marketing platform service. In cumulative Q3 FY03/26, visumo's revenue was JPY671mn (+9.5% YoY), operating profit was JPY80mn (+3.8% YoY), recurring profit was JPY81mn (+25.1% YoY), and net income was JPY54mn (+25.1% YoY). The cumulative Q3 progress rates versus full-year FY03/26 projections were 69.4% for revenue (73.9% in cumulative Q3 FY03/25 vs. full-year FY03/25 result), 94.0% for operating profit (96.2%), 95.7% for recurring profit (96.0%), and 91.9% for net income attributable to owners of the parent (88.6%).

Revenue breakdown in EC Solutions business (JPYmn)	FY03/25				FY03/26				FY03/26	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue	3,978	8,149	12,291	16,621	4,288	8,771	13,360		73.0%	18,300
YoY	6.8%	5.7%	6.1%	6.9%	7.8%	7.6%	8.7%			
E-commerce site development	2,690	5,520	8,260	11,020	2,820	5,820	8,930			
YoY	5.5%	8.4%	7.6%	6.1%	4.8%	5.4%	8.1%			
% of revenue	67.6%	67.7%	67.2%	66.3%	65.8%	66.4%	66.8%			
Digital marketing	810	1,600	2,480	3,460	900	1,790	2,680			
YoY	2.5%	-11.6%	-7.1%	-0.6%	11.1%	11.9%	8.1%			
% of revenue	20.4%	19.6%	20.2%	20.8%	21.0%	20.4%	20.1%			
E-commerce cloud services	470	1,010	1,530	2,130	550	1,150	1,730			
YoY	23.7%	26.3%	26.4%	27.5%	17.0%	13.9%	13.1%			
% of revenue	11.8%	12.4%	12.4%	12.8%	12.8%	13.1%	12.9%			
Revenue breakdown (quarterly) (JPYmn)	FY03/25				FY03/26					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue	3,978	4,172	4,142	4,330	4,288	4,483	4,589			
YoY	6.8%	4.6%	7.0%	9.3%	7.8%	7.5%	10.8%			
E-commerce site development	2,690	2,830	2,740	2,760	2,820	3,000	3,110			
YoY	5.5%	11.4%	5.8%	1.8%	4.8%	6.0%	13.5%			
% of revenue	67.6%	67.8%	66.2%	63.7%	65.8%	66.9%	67.8%			
Digital marketing	810	790	880	980	900	890	890			
YoY	2.5%	-22.5%	2.3%	21.0%	11.1%	12.7%	1.1%			
% of revenue	20.4%	18.9%	21.2%	22.6%	21.0%	19.9%	19.4%			
E-commerce cloud services	470	540	520	600	550	600	580			
YoY	23.7%	28.6%	26.8%	30.4%	17.0%	11.1%	11.5%			
% of revenue	11.8%	12.9%	12.6%	13.9%	12.8%	13.4%	12.6%			

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

IT Solutions business

- Revenue: JPY11.8bn (+13.8% YoY)
- Recurring profit: JPY2.2bn (+12.2% YoY)

In the IT Solutions business, revenue increased 13.8% YoY to JPY11.8bn and recurring profit increased 12.2% YoY to JPY2.2bn, supported by revenue growth from cloud services and security and infrastructure development. The cumulative Q3 progress rate versus the company's full-year FY03/26 forecast was 77.6% for revenue (72.3% in cumulative Q3 FY03/25 vs. full-year FY03/25 result).

Security and infrastructure development revenue increased 8.7% YoY to JPY5.1bn. Revenue from IT packages decreased 8.9% YoY to JPY1.5bn. Revenue from IT cloud services increased 31.6% to JPY2.8bn. Revenue from IT equipment increased 27.8% to JPY2.4bn.

Atled Corp. (TSE Standard: 3969), a subsidiary providing the workflow products and services X-point and AgileWorks, reported revenue of JPY2.2bn (+4.7% YoY). In packaged software, revenue was JPY142mn (-22.4% YoY) for X-point and JPY781mn (-12.6% YoY) for AgileWorks, mainly reflecting a shift to cloud services. Revenue from cloud services was JPY1.2bn (+25.5% YoY) for X-point Cloud. Operating profit was JPY770mn (+2.2% YoY), recurring profit was JPY775mn (+2.8% YoY), and net income was JPY513mn (+2.4% YoY). The cumulative Q3 progress rates versus full-year FY03/26 projections were 69.3% for revenue (74.6% in cumulative Q3 FY03/25 versus full-year FY03/25 result), 65.8% for operating profit (71.2%), 66.2% for recurring profit (71.1%), and 65.4% for net income (68.8%).

Revenue breakdown in IT Solutions business	FY03/25				FY03/26				FY03/26		
	(JPYmn)	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue		3,122	7,022	10,363	14,331	3,599	7,737	11,791		77.6%	15,200
YoY		6.5%	14.3%	12.8%	15.9%	15.3%	10.2%	13.8%			
Security and infrastructure development		1,490	3,150	4,690	6,540	1,500	3,410	5,100			
YoY		2.8%	4.3%	4.7%	8.6%	0.7%	8.3%	8.7%			
% of revenue		47.7%	44.9%	45.3%	45.6%	41.7%	44.1%	43.3%			
IT package		420	1,120	1,690	2,230	500	1,010	1,540			
YoY		13.5%	36.6%	31.0%	23.9%	19.0%	-9.8%	-8.9%			
% of revenue		13.5%	16.0%	16.3%	15.6%	13.9%	13.1%	13.1%			
IT cloud services		640	1,340	2,090	2,870	870	1,820	2,750			
YoY		18.5%	21.8%	24.4%	25.3%	35.9%	35.8%	31.6%			
% of revenue		20.5%	19.1%	20.2%	20.0%	24.2%	23.5%	23.3%			
IT equipment		570	1,380	1,870	2,660	710	1,480	2,390			
YoY		0.0%	16.9%	8.7%	18.2%	24.6%	7.2%	27.8%			
% of revenue		18.3%	19.7%	18.0%	18.6%	19.7%	19.1%	20.3%			
Revenue breakdown (quarterly)		FY03/25				FY03/26					
(JPYmn)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue		3,122	3,900	3,342	3,967	3,599	4,138	4,054			
YoY		6.5%	21.5%	9.6%	24.8%	15.3%	6.1%	21.3%			
Security and infrastructure development		1,490	1,660	1,540	1,850	1,500	1,910	1,690			
YoY		2.8%	5.7%	5.5%	20.1%	0.7%	15.1%	9.7%			
% of revenue		47.7%	42.6%	46.1%	46.6%	41.7%	46.2%	41.7%			
IT package		420	700	570	540	500	510	530			
YoY		13.5%	55.6%	21.3%	5.9%	19.0%	-27.1%	-7.0%			
% of revenue		13.5%	18.0%	17.1%	13.6%	13.9%	12.3%	13.1%			
IT cloud services		640	700	750	780	870	950	930			
YoY		18.5%	25.0%	29.3%	27.9%	35.9%	35.7%	24.0%			
% of revenue		20.5%	18.0%	22.4%	19.7%	24.2%	23.0%	22.9%			
IT equipment		570	810	490	790	710	770	910			
YoY		0.0%	32.8%	-9.3%	49.1%	24.6%	-4.9%	85.7%			
% of revenue		18.3%	20.8%	14.7%	19.9%	19.7%	18.6%	22.4%			

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Q3 FY03/26 results (three months)

- Revenue: JPY8.6bn (+15.5% YoY)
- Operating profit: JPY1.8bn (+37.5% YoY)
- Recurring profit: JPY1.9bn (+34.3% YoY)
- Net income attributable to owners of the parent: JPY1.1bn (+35.8% YoY)

Summary

Revenue increased 15.5% YoY to JPY8.6bn, operating profit increased 37.5% YoY to JPY1.8bn, recurring profit increased 34.3% YoY to JPY1.9bn, and net income attributable to owners of the parent increased 35.8% YoY to JPY1.1bn.

Results by segment

EC Solutions business

- Revenue: JPY4.6bn (+10.8% YoY)
- Recurring profit: JPY1.2bn (+10.1% YoY)

Revenue rose 10.8% to JPY4.6bn and recurring profit 10.1% to JPY1.2bn, supported by higher revenue from e-commerce site development and cloud services, with the sales of the latter positioned as an initiative to enhance e-commerce sales.

Revenue from e-commerce site development increased 13.5% YoY to JPY3.1bn, reflecting higher sales from customization for existing customers. The order composition for e-commerce site development was evenly split between B2C and B2B. Digital marketing revenue rose 1.1% YoY to JPY890mn. Revenue from e-commerce cloud services grew 11.5% to JPY580mn. Sales of visumo, ReviCo, Mercart, and Sechstant increased.

Subsidiary visumo Inc. (TSE Growth: 303A) reported revenue of JPY227mn (+4.7% YoY), operating profit JPY25mn (-32.7% YoY), recurring profit JPY26mn (+3.5% YoY), and net income JPY17mn (+0.4% YoY). When reporting its consolidated financial results, the company includes visumo's results under "e-commerce cloud services."

IT Solutions business

- Revenue: JPY4.1bn (+21.3% YoY)
- Recurring profit: JPY895mn (+51.3% YoY)

Revenue increased 21.3% YoY to JPY4.1bn, while recurring profit increased 51.3% YoY to JPY895mn, reflecting growth in security infrastructure development and cloud services.

Revenue from security and infrastructure development increased 9.7% YoY to JPY1.7bn, reflecting higher PC setup sales driven by increased IT equipment sales. Revenue from IT packages decreased 7.0% YoY to JPY530mn. Revenue from cloud services increased 24.0% YoY to JPY930mn, driven by higher sales of services such as X-point Cloud and Safe AI Gateway. Revenue from IT equipment increased 85.7% YoY to JPY910mn, reflecting higher PC demand stemming from the conclusion of Windows 10 support.

Atled, a subsidiary providing X-point and AgileWorks, posted revenue of JPY756mn (+10.0% YoY), operating profit of JPY287mn (+28.4% YoY), recurring profit of JPY287mn (+28.4% YoY), and net income of JPY190mn (+29.7% YoY). In package software, sales totaled JPY45mn for X-point (-19.6% YoY) and JPY289mn for AgileWorks (+3.2% YoY), while in cloud services, sales totaled JPY422mn for X-point Cloud (+20.2% YoY).

1H FY03/26 results

- Revenue: JPY16.5bn (+8.8% YoY)
- Operating profit: JPY2.7bn (+4.7% YoY)
- Recurring profit: JPY3.0bn (+10.3% YoY)
- Net income attributable to owners of the parent: JPY1.9bn (+5.7% YoY)

Summary

Revenue totaled JPY16.5bn (+8.8% YoY), operating profit was JPY2.7bn (+4.7% YoY), recurring profit was JPY3.0bn (+10.3% YoY), and net income attributable to owners of the parent was JPY1.9bn (+5.7% YoY). In 1H, the company's achievement rate vs. its 1H FY03/26 forecast was 93.5% for revenue, 94.4% for operating profit, 95.1% for recurring profit, and 99.9% for net income. The 1H progress rate versus the full-year FY03/26 forecast was 49.3% for revenue (49.0% in 1H FY03/25 vs. full-year FY03/25 result), 45.7% for operating profit (47.6%), 49.0% for recurring profit (47.8%), and 49.4% for net income (49.9%). The company maintained the full-year forecast. Overall and segment results progressed largely in line with the forecast.

The company promoted the e-commerce site development platform and SaaS-based cloud services to enhance e-commerce sales. It also focused on expanding revenue in the EC Solutions and IT Solutions businesses by promoting Safe AI Gateway, a proprietary generative AI service, and SCCloud and X-point Cloud, internal information system services, all for corporate clients. As a result, revenue in 1H FY03/26 increased 8.8% YoY to JPY16.5bn. By segment, revenue increased 7.6% to JPY8.8bn in the EC Solutions business and 10.2% to JPY7.7bn in the IT Solutions business.

Gross profit increased 7.3% YoY to JPY6.7bn. Gross profit margin was 40.6%, compared with 41.1% in 1H FY03/25. SG&A expenses rose 9.2% YoY to JPY4.0bn. Personnel expenses rose JPY130mn, mainly due to base salary hikes and an increase in employees, including new graduates. Rent expenses increased by JPY68mn due to the expansion of office space accompanying headcount growth. As a result, operating profit increased 4.7% YoY to JPY2.7bn. Expenses progressed largely in line with its forecast.

Results by segment

EC Solutions business

- Revenue: JPY8.8bn (+7.6% YoY)
- Recurring profit: JPY2.3bn (+16.9% YoY)

In the EC Solutions business, revenue increased 7.6% YoY to JPY8.8bn and recurring profit grew 16.9% YoY to JPY2.3bn, supported by higher revenue from e-commerce site development and cloud services to enhance e-commerce sales. The 1H progress rate versus the full-year FY03/26 forecast was 47.9%, compared with 49.0% in 1H FY03/25 versus full-year FY03/25 result.

Revenue from e-commerce site development rose 5.4% YoY to JPY5.8bn. The order composition for e-commerce site development was evenly split between B2C and B2B. Digital marketing revenue rose 11.9% YoY to JPY1.8bn. Revenue from e-commerce cloud services grew 13.9% to JPY1.2bn.

Subsidiary visumo Inc. (TSE Growth: 303A) provides a visual marketing platform service. In 1H FY03/26, visumo's revenue was JPY444mn (+12.2% YoY), operating profit was JPY55mn (+37.9% YoY), recurring profit was JPY55mn (+38.8% YoY), and net income was JPY37mn (+40.9% YoY). The 1H progress rate versus the full-year FY03/26 forecast was 45.9% for revenue (47.7% in 1H FY03/25 vs. full-year FY03/25 result), 64.6% for operating profit (49.7%), 65.0% for recurring profit (58.7%), and 63.2% for net income attributable to owners of the parent (54.1%).

Revenue breakdown in EC Solutions business (JPYmn)	FY03/25				FY03/26				FY03/26	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue	3,978	8,149	12,291	16,621	4,288	8,771			47.9%	18,300
YoY	6.8%	5.7%	6.1%	6.9%	7.8%	7.6%				
E-commerce site development	2,690	5,520	8,260	11,020	2,820	5,820				
YoY	5.5%	8.4%	7.6%	6.1%	4.8%	5.4%				
% of revenue	67.6%	67.7%	67.2%	66.3%	65.8%	66.4%				
Digital marketing	810	1,600	2,480	3,460	900	1,790				
YoY	2.5%	-11.6%	-7.1%	-0.6%	11.1%	11.9%				
% of revenue	20.4%	19.6%	20.2%	20.8%	21.0%	20.4%				
E-commerce cloud services	470	1,010	1,530	2,130	550	1,150				
YoY	23.7%	26.3%	26.4%	27.5%	17.0%	13.9%				
% of revenue	11.8%	12.4%	12.4%	12.8%	12.8%	13.1%				
Revenue breakdown (quarterly) (JPYmn)	FY03/25				FY03/26					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue	3,978	4,172	4,142	4,330	4,288	4,483				
YoY	6.8%	4.6%	7.0%	9.3%	7.8%	7.5%				
E-commerce site development	2,690	2,830	2,740	2,760	2,820	3,000				
YoY	5.5%	11.4%	5.8%	1.8%	4.8%	6.0%				
% of revenue	67.6%	67.8%	66.2%	63.7%	65.8%	66.9%				
Digital marketing	810	790	880	980	900	890				
YoY	2.5%	-22.5%	2.3%	21.0%	11.1%	12.7%				
% of revenue	20.4%	18.9%	21.2%	22.6%	21.0%	19.9%				
E-commerce cloud services	470	540	520	600	550	600				
YoY	23.7%	28.6%	26.8%	30.4%	17.0%	11.1%				
% of revenue	11.8%	12.9%	12.6%	13.9%	12.8%	13.4%				

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

IT Solutions business

- Revenue: JPY7.7bn (+10.2% YoY)
- Recurring profit: JPY1.4bn (-4.1% YoY)

In the IT Solutions business, revenue increased 10.2% YoY to JPY7.7bn, supported by revenue growth from cloud services and from security and infrastructure development. Recurring profit declined 4.1% YoY to JPY1.4bn. The 1H progress rate versus the full-year FY03/26 forecast was 50.9% for revenue (49.0% in 1H FY03/25 versus full-year FY03/25 result).

Security and infrastructure development revenue increased 8.3% YoY to JPY3.4bn. Revenue from IT packages decreased 9.8% YoY to JPY1.0bn. Revenue from IT cloud services increased 35.8% to JPY1.8bn. Revenue from IT equipment increased 7.2% to JPY1.5bn.

Atled Corp. (TSE Standard: 3969), a subsidiary providing the workflow products and services X-point and AgileWorks, reported revenue of JPY1.4bn (+2.1% YoY). In packaged software, revenue was JPY97mn (-23.6% YoY) for X-point and JPY492mn (-19.9% YoY) for AgileWorks, mainly reflecting a shift to cloud services. Revenue from cloud services was JPY815mn (+28.3% YoY) for X-point Cloud. Operating profit was JPY483mn (-8.8% YoY), recurring profit was JPY488mn (-8.0% YoY), and net income was JPY323mn (-8.9% YoY). The 1H progress rate versus the full-year FY03/26 forecast was 45.0% for revenue (49.8% in 1H FY03/25 versus full-year FY03/25 result), 41.3% for operating profit (50.0%), 41.7% for recurring profit (50.0%), and 41.2% for net income (48.7%).

Revenue breakdown in IT Solutions business	FY03/25				FY03/26				FY03/26		
	(JPYmn)	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue		3,122	7,022	10,363	14,331	3,599	7,737			50.9%	15,200
YoY		6.5%	14.3%	12.8%	15.9%	15.3%	10.2%				
Security and infrastructure development		1,490	3,150	4,690	6,540	1,500	3,410				
YoY		2.8%	4.3%	4.7%	8.6%	0.7%	8.3%				
% of revenue		47.7%	44.9%	45.3%	45.6%	41.7%	44.1%				
IT package		420	1,120	1,690	2,230	500	1,010				
YoY		13.5%	36.6%	31.0%	23.9%	19.0%	-9.8%				
% of revenue		13.5%	16.0%	16.3%	15.6%	13.9%	13.1%				
IT cloud services		640	1,340	2,090	2,870	870	1,820				
YoY		18.5%	21.8%	24.4%	25.3%	35.9%	35.8%				
% of revenue		20.5%	19.1%	20.2%	20.0%	24.2%	23.5%				
IT equipment		570	1,380	1,870	2,660	710	1,480				
YoY		0.0%	16.9%	8.7%	18.2%	24.6%	7.2%				
% of revenue		18.3%	19.7%	18.0%	18.6%	19.7%	19.1%				
Revenue breakdown (quarterly)		FY03/25				FY03/26					
(JPYmn)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue		3,122	3,900	3,342	3,967	3,599	4,138				
YoY		6.5%	21.5%	9.6%	24.8%	15.3%	6.1%				
Security and infrastructure development		1,490	1,660	1,540	1,850	1,500	1,910				
YoY		2.8%	5.7%	5.5%	20.1%	0.7%	15.1%				
% of revenue		47.7%	42.6%	46.1%	46.6%	41.7%	46.2%				
IT package		420	700	570	540	500	510				
YoY		13.5%	55.6%	21.3%	5.9%	19.0%	-27.1%				
% of revenue		13.5%	18.0%	17.1%	13.6%	13.9%	12.3%				
IT cloud services		640	700	750	780	870	950				
YoY		18.5%	25.0%	29.3%	27.9%	35.9%	35.7%				
% of revenue		20.5%	18.0%	22.4%	19.7%	24.2%	23.0%				
IT equipment		570	810	490	790	710	770				
YoY		0.0%	32.8%	-9.3%	49.1%	24.6%	-4.9%				
% of revenue		18.3%	20.8%	14.7%	19.9%	19.7%	18.6%				

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Q2 FY03/26 results (three months)

- Revenue: JPY8.3bn (+3.4% YoY)
- Operating profit: JPY1.7bn (+7.3% YoY)
- Recurring profit: JPY1.6bn (+2.5% YoY)
- Net income attributable to owners of the parent: JPY927mn (+1.3% YoY)

Summary

Revenue and all profit categories increased YoY, with revenue up 3.4% YoY to JPY8.3bn, operating profit up 7.3% YoY to JPY1.7bn, recurring profit up 2.5% YoY to JPY1.6bn, and net income attributable to owners of the parent up 1.3% YoY to JPY927mn.

Results by segment

EC Solutions business

- Revenue: JPY4.5bn (+7.5% YoY)
- Recurring profit: JPY1.1bn (+17.4% YoY)

Revenue rose 7.5% to JPY4.5bn and recurring profit 17.4% to JPY1.1bn, supported by higher revenue from e-commerce site development and cloud services, with the sales of the latter positioned as an initiative to enhance e-commerce sales.

Revenue from e-commerce site development rose 6.0% YoY to JPY3.0bn. Digital marketing revenue rose 12.7% YoY to JPY890mn. Revenue from e-commerce cloud services grew 11.1% to JPY600mn.

Subsidiary visumo Inc. (TSE Growth: 303A) reported revenue of JPY220mn (+7.6% YoY), operating profit JPY40mn (+53.2% YoY), recurring profit JPY41mn (+54.2% YoY), and net income JPY28mn (+55.9% YoY). Visumo's results are included under e-commerce cloud services in the consolidated financial results.

IT Solutions business

- Revenue: JPY4.1bn (+6.1% YoY)
- Recurring profit: JPY831mn (-5.4% YoY)

Revenue increased 6.1% YoY to JPY4.1bn, while recurring profit decreased 5.4% to JPY831mn. Sales increased in security infrastructure development and IT cloud services but decreased in IT package sales.

Security and infrastructure development revenue increased 15.1% YoY to JPY1.9bn; IT package revenue decreased 27.1% YoY to JPY510mn; IT cloud services revenue increased 35.7% YoY to JPY950mn; and IT equipment revenue decreased 4.9% to JPY770mn.

Atled, a subsidiary providing X-point and AgileWorks, posted revenue of JPY709mn (-3.5% YoY), operating profit of JPY260mn (-17.8% YoY), recurring profit of JPY265mn (-16.4% YoY), and net income of JPY180mn (-15.9% YoY). In package software, sales totaled JPY46mn for X-point (-27.0% YoY) and JPY248mn for AgileWorks (-27.5% YoY), while in cloud services, sales totaled JPY415mn for X-point Cloud (+25.4% YoY).

Q1 FY03/26 results

- Revenue: JPY7.9bn (+11.1% YoY)
- Operating profit: JPY1.1bn (+3.9% YoY)
- Recurring profit: JPY1.3bn (+8.6% YoY)
- Net income attributable to owners of the parent: JPY843mn (-1.3% YoY)

Summary

Revenue totaled JPY7.9bn (+11.1% YoY), operating profit was JPY1.1bn (+3.9% YoY), recurring profit was JPY1.3bn (+8.6% YoY), and net income attributable to owners of the parent was JPY843mn (-1.3% YoY). The Q1 progress rate against the 1H company forecast for FY03/26 was 48.6% for revenue (46.8% in Q1FY03/25), 40.0% for operating profit (40.8%), 45.9% for recurring profit (44.4%), and 47.6% for net income (48.3%). The Q1 progress rate against the full-year company forecast for FY03/26 was 23.5% for revenue (22.9%), 18.5% for operating profit (19.4%), 21.5% for recurring profit (21.3%), and 22.3% for net income (24.1%). Performance, including results by segment, progressed largely in line with forecast.

The company promoted the e-commerce site development platform and SaaS-based cloud services to enhance e-commerce sales. It also focused on expanding revenue in the EC Solutions business and IT Solutions business by promoting Safe AI Gateway, a proprietary AI service for corporate clients, SCCloud, enterprise information system services, and X-point Cloud. As a result, revenue in Q1 FY03/26 increased 11.1% YoY to JPY7.9bn. By segment, revenue increased 7.8% to JPY4.3bn in the EC Solutions business and 15.3% to JPY3.6bn in the IT Solutions business.

Gross profit increased 10.8% YoY to JPY3.2bn. Gross profit margin was 40.8%, compared with 40.9% in Q1 FY03/25. SG&A expenses rose 14.9% YoY to JPY2.1bn. Personnel expenses rose JPY100mn, mainly due to an increase in employees, including new graduates, and base salary hikes. Advertising expenses rose JPY44mn as the company worked to acquire new customers. As a result, operating profit increased 3.9% YoY to JPY1.1bn. Expenses progressed largely in line with forecast.

Results by segment

EC Solutions business

- Revenue: JPY4.3bn (+7.8% YoY)
- Recurring profit: JPY1.1bn (+16.4% YoY)

In the EC Solutions business, revenue increased 7.8% YoY to JPY4.3bn and recurring profit grew 16.4% YoY to JPY1.1bn, supported by higher revenue from e-commerce site development and mainstay e-commerce cloud services.

Revenue from e-commerce site development rose 4.8% YoY to JPY2.8bn, driven primarily by recurring revenue from maintenance projects for increased existing customers. New customers aligned with the company's forecast. Digital marketing revenue rose 11.1% YoY to JPY900mn, driven by higher spending on promotion and advertising. Revenue from

e-commerce cloud services grew 17.0% to JPY550mn, largely due to the revenue expansion of visumo, Sechstant, and ReviCo.

Subsidiary visumo Inc. (TSE Growth: 303A) provides a visual marketing platform service. In Q1 FY03/26, visumo's revenue was JPY223mn (+16.8% YoY), operating profit was JPY14mn (+4.2% YoY), recurring profit was JPY14mn (+4.2% YoY), and net income was JPY9mn (+3.3% YoY). Progress toward the full-year company forecast was 23.1% for revenue (full-year forecast: JPY967mn), 16.5% for operating profit (JPY85mn), 16.5% for recurring profit (JPY85mn), and 15.3% for net income attributable to owners of the parent (JPY59mn).

Revenue breakdown in EC Solutions business (JPYmn)	FY03/25				FY03/26				FY03/26	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue	3,978	8,149	12,291	16,621	4,288				23.4%	18,300
YoY	6.8%	5.7%	6.1%	6.9%	7.8%					
E-commerce site development	2,690	5,520	8,260	11,020	2,820					
YoY	5.5%	8.4%	7.6%	6.1%	4.8%					
% of revenue	67.6%	67.7%	67.2%	66.3%	65.8%					
Digital marketing	810	1,600	2,480	3,460	900					
YoY	2.5%	-11.6%	-7.1%	-0.6%	11.1%					
% of revenue	20.4%	19.6%	20.2%	20.8%	21.0%					
E-commerce cloud services	470	1,010	1,530	2,130	550					
YoY	23.7%	26.3%	26.4%	27.5%	17.0%					
% of revenue	11.8%	12.4%	12.4%	12.8%	12.8%					
Revenue breakdown (quarterly) (JPYmn)	FY03/25				FY03/26					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue	3,978	4,172	4,142	4,330	4,288					
YoY	6.8%	4.6%	7.0%	9.3%	7.8%					
E-commerce site development	2,690	2,830	2,740	2,760	2,820					
YoY	5.5%	11.4%	5.8%	1.8%	4.8%					
% of revenue	67.6%	67.8%	66.2%	63.7%	65.8%					
Digital marketing	810	790	880	980	900					
YoY	2.5%	-22.5%	2.3%	21.0%	11.1%					
% of revenue	20.4%	18.9%	21.2%	22.6%	21.0%					
E-commerce cloud services	470	540	520	600	550					
YoY	23.7%	28.6%	26.8%	30.4%	17.0%					
% of revenue	11.8%	12.9%	12.6%	13.9%	12.8%					

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

IT Solutions business

- Revenue: JPY3.6bn (+15.3% YoY)
- Recurring profit: JPY521mn (-2.0% YoY)

In the IT Solutions business, revenue increased 15.3% YoY to JPY3.6bn and recurring profit declined 2.0% YoY to JPY521mn, supported by revenue growth from cloud services and from security and infrastructure development.

Security and infrastructure development revenue increased 0.7% YoY to JPY1.5bn. Revenue increased only slightly, mainly reflecting the transfer of revenue from subsidiary Exgen Networks to IT packages and IT cloud services from Q2 FY03/25 onward, while security system construction and SI advanced steadily. Revenue in IT packages increased 19.0% YoY to JPY500mn, driven mainly by LDAP Manager, an integrated IP management package from Exgen Networks, which was included from Q2 FY03/25.

Revenue in IT cloud services was JPY870mn (+35.9% YoY), mainly reflecting growth in X-point Cloud and the addition from Q2 FY03/25 of Extic, a cloud authentication platform from Exgen Networks. Safe AI Gateway and AI development also contributed to growth. IT equipment revenue increased 24.6% YoY to JPY710mn due to higher sales of PCs and third-party product licenses.

Revenue at Atled (TSE Standard: 3969), a subsidiary providing the workflow products and services X-point and AgileWorks, was JPY702mn (+8.4% YoY). In packaged software, revenue was JPY51mn (-20.3% YoY) for X-point and JPY244mn (-10.3% YoY) for AgileWorks, reflecting a shift to cloud services. Revenue in cloud services was JPY400mn (+31.6% YoY) for X-point Cloud. Operating profit was JPY223mn (+4.4% YoY), recurring profit was JPY223mn (+4.4% YoY), and net income was JPY142mn (+1.8% YoY). Progress toward the full-year company forecast was 22.3% for revenue (full-year forecast: JPY3.1bn), 19.1% for operating profit (JPY1.2bn), 19.1% for recurring profit (JPY1.2bn), and 18.2% for net income (JPY784mn).

Revenue breakdown in IT Solutions business	FY03/25				FY03/26				FY03/26		
	(JPYmn)	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of forecast	Company forecast
Revenue		3,122	7,022	10,363	14,331	3,599				23.7%	15,200
YoY		6.5%	14.3%	12.8%	15.9%	15.3%					
Security and infrastructure development		1,490	3,150	4,690	6,540	1,500					
YoY		2.8%	4.3%	4.7%	8.6%	0.7%					
% of revenue		47.7%	44.9%	45.3%	45.6%	41.7%					
IT package		420	1,120	1,690	2,230	500					
YoY		13.5%	36.6%	31.0%	23.9%	19.0%					
% of revenue		13.5%	16.0%	16.3%	15.6%	13.9%					
IT cloud services		640	1,340	2,090	2,870	870					
YoY		18.5%	21.8%	24.4%	25.3%	35.9%					
% of revenue		20.5%	19.1%	20.2%	20.0%	24.2%					
IT equipment		570	1,380	1,870	2,660	710					
YoY		0.0%	16.9%	8.7%	18.2%	24.6%					
% of revenue		18.3%	19.7%	18.0%	18.6%	19.7%					
Revenue breakdown (quarterly)		FY03/25				FY03/26					
(JPYmn)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue		3,122	3,900	3,342	3,967	3,599					
YoY		6.5%	21.5%	9.6%	24.8%	15.3%					
Security infrastructure development		1,490	1,660	1,540	1,850	1,500					
YoY		2.8%	5.7%	5.5%	20.1%	0.7%					
% of revenue		47.7%	42.6%	46.1%	46.6%	41.7%					
IT package		420	700	570	540	500					
YoY		13.5%	55.6%	21.3%	5.9%	19.0%					
% of revenue		13.5%	18.0%	17.1%	13.6%	13.9%					
IT cloud services		640	700	750	780	870					
YoY		18.5%	25.0%	29.3%	27.9%	35.9%					
% of revenue		20.5%	18.0%	22.4%	19.7%	24.2%					
IT equipment		570	810	490	790	710					
YoY		0.0%	32.8%	-9.3%	49.1%	24.6%					
% of revenue		18.3%	20.8%	14.7%	19.9%	19.7%					

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Key highlights

Development of Safe AI Agent

Subsidiary Softcreate Corp. announced on August 1, 2025 that it had developed Safe AI Agent, based on its proprietary generative AI platform Safe AI Gateway and using its own engine. The agent features planning, enhanced document analysis, information retrieval, document generation, and natural language conversation. It autonomously formulates plans, reviews and confirms file contents, retrieves information from the internet and various servers, and generates documents, images, and data.

Full-year FY03/25 results

- Revenue: JPY31.0bn (+10.9% YoY)
- Operating profit: JPY5.5bn (+6.4% YoY)
- Recurring profit: JPY5.8bn (+7.6% YoY)
- Net income attributable to owners of the parent: JPY3.5bn (+8.9% YoY)

Summary

In FY03/25, revenue grew 10.9% YoY to JPY31.0bn, operating profit increased 6.4% YoY to JPY5.5bn, recurring profit increased 7.6% YoY to JPY5.8bn, and net income attributable to owners of the parent increased 8.9% YoY to JPY3.5bn. The achievement toward its full-year forecast was 103.2% for revenue, 100.3% for operating profit, 101.5% for recurring profit, and 102.8% for net income.

The company promoted the ebeing e-commerce site development platform and SaaS-based cloud services to enhance e-commerce sales. It also focused on expanding revenue in the EC Solutions business and IT Solutions business by promoting Safe AI Gateway, a proprietary AI service for corporate clients, SCCloud, enterprise information system services, and X-point Cloud. As a result, revenue in FY03/25 increased 10.9% YoY to JPY31.0bn. By segment, revenue increased 6.9% to JPY16.6bn in the EC Solutions business and 15.9% to JPY14.3bn in the IT Solutions business.

Revenue grew YoY despite the absence of one-time site operation revenue seen in FY03/24. Gross profit rose 8.0% YoY to JPY12.9bn, but the gross profit margin declined 1.1pp YoY to 41.6%. SG&A expenses rose 9.2% YoY to JPY7.4bn, driven by a JPY160mn increase in rent and consumables expenses due to floor space expansion, and greater investment in human resources, including a JPY300mn rise in personnel expenses and a JPY40mn increase in recruitment and training costs. Operating profit increased 6.4% YoY to JPY5.5bn.

Results by segment

EC Solutions business

- Revenue: JPY16.6bn (+6.9% YoY)
- Recurring profit: JPY4.1bn (+2.8% YoY)

In the EC Solutions business, revenue increased 6.9% YoY to JPY16.6bn and recurring profit grew 2.8% YoY to JPY4.1bn, supported by higher revenue from e-commerce site development and mainstay e-commerce cloud services.

IT Solutions business

- Revenue: JPY14.3bn (+15.9% YoY)
- Recurring profit: JPY3.0bn (+5.7% YoY)

In the IT Solutions business, revenue increased 15.9% YoY to JPY14.3bn and recurring profit rose 5.7% YoY to JPY3.0bn, supported by revenue growth from cloud services and from security and infrastructure development.

Q4 FY03/25 results (three months)

- Revenue: JPY8.3bn (+16.2% YoY)
- Operating profit: JPY1.6bn (+41.9% YoY)
- Recurring profit: JPY1.6bn (+57.6% YoY)
- Net income attributable to owners of the parent: JPY1.0bn (+58.4% YoY)

Summary

Revenue grew 16.2% YoY to JPY8.3bn, operating profit rose 41.9% YoY to JPY1.6bn, recurring profit climbed 57.6% YoY to JPY1.6bn, and net income attributable to owners of the parent increased 58.4% YoY to JPY1.0bn.

Results by segment

EC Solutions business

- Revenue: JPY4.3bn (+9.3% YoY)
- Recurring profit: JPY996mn (+22.7% YoY)

Revenue rose 9.3% to JPY4.3bn and recurring profit 22.7% to JPY996mn, due to revenue growth from e-commerce site development and e-commerce cloud services.

Revenue from e-commerce site development rose 1.8% YoY to JPY2.8bn, driven primarily by an increase in package sales to new customers and recurring revenue from maintenance projects for existing customers. However, customization work for renewing existing customers' websites showed no growth. The number of new customers aligns with the company's forecast, with continuous strong performance in e-commerce BtoB. Digital marketing revenue rose 21.0% YoY to JPY980mn, driven by higher spending on promotion and advertising. Revenue from e-commerce cloud services grew 30.4% to JPY600mn, largely due to the sales expansion of visumo, Mercart, Sechstant, ReviCo, and SiteMiraiZ.

Subsidiary visumo Inc. (TSE Growth: 303A), which provides a visual marketing platform service, was listed on the Tokyo Stock Exchange Growth Market on December 26, 2024. The company's equity interest ratio in visumo declined from 98.3% prior to the listing to 53.0%. In FY03/25, visumo's revenue was JPY829mn, operating profit was JPY80mn, recurring profit was JPY68mn, and net income was JPY49mn. In Q4 FY03/25, revenue was JPY217mn, operating profit was JPY3mn, recurring profit was JPY3mn, and net income was JPY6mn. The company includes visumo's results under e-commerce cloud services in its consolidated financial results.

IT Solutions business

- Revenue: JPY4.0bn (+24.8% YoY)
- Recurring profit: JPY995mn (+24.6% YoY)

Revenue increased 24.8% YoY to JPY4.0bn and recurring profit increased 24.6% to JPY995mn due to revenue growth in security infrastructure development and IT cloud services along with higher IT equipment sales.

Security and infrastructure development revenue increased 20.1% YoY to JPY1.9bn, supported by growth in security and maintenance, contributions from System Works Japan, a subsidiary newly consolidated in FY03/25, and higher contract development projects using Safe AI Gateway, the company's generative AI solution. IT package revenue grew 5.9% YoY to JPY540mn, supported by the addition of LDAP Manager, an integrated IP management package from Exgen Networks, a subsidiary newly consolidated in Q2. IT cloud services revenue increased 27.9% YoY to JPY780mn, as X-point Cloud, SCCloud, and Safe AI Gateway revenue expanded. IT equipment revenue increased 49.1% to JPY790mn due to higher sales of PCs and license of manufacturer products.

In Atled, a subsidiary providing X-point and AgileWorks, revenue was JPY702mn (+1.9% YoY). Sales totaled JPY59mn for X-point (-18.1% YoY, down JPY13mn), JPY268mn for AgileWorks (-17.5% YoY, down JPY57mn), and JPY374mn for X-point Cloud, part of its cloud services (+28.1% YoY, up JPY82mn).

Key highlights

Quality I Inc., a software quality assurance firm, made a consolidated subsidiary

On April 1, 2025, the company made Quality I Inc.—a provider of software quality assurance services—a consolidated subsidiary. Quality I offers automated testing solutions optimized for web application development, comprehensive support across the entire testing process from planning and design to execution and operation, and exploratory testing to efficiently identify bugs and issues that are difficult to detect through conventional methods. According to the company, the decision to make Quality I a consolidated subsidiary was aimed at improving software quality across the group. As Quality I is a small-scale company, the impact on earnings is expected to be negligible.

Income statement

Income statement (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Revenue	12,277	13,724	15,597	19,358	23,811	24,238	21,227	24,254	27,912	30,952
YoY	2.8%	11.8%	13.6%	24.1%	23.0%	1.8%	-12.4%	14.3%	15.1%	10.9%
Cost of revenue	8,500	9,599	10,753	13,315	16,822	16,444	11,977	13,932	15,997	18,087
YoY	2.7%	12.9%	12.0%	23.8%	26.3%	-2.2%	-27.2%	16.3%	14.8%	13.1%
Gross profit	3,778	4,125	4,843	6,044	6,989	7,794	9,250	10,322	11,915	12,864
YoY	3.0%	9.2%	17.4%	24.8%	15.6%	11.5%	18.7%	11.6%	15.4%	8.0%
Gross profit margin	30.8%	30.1%	31.1%	31.2%	29.4%	32.2%	43.6%	42.6%	42.7%	41.6%
SG&A expenses	2,317	2,581	3,136	4,156	4,609	4,567	5,220	5,999	6,746	7,367
YoY	5.3%	11.4%	21.5%	32.5%	10.9%	-0.9%	14.3%	14.9%	12.4%	9.2%
SG&A ratio	18.9%	18.8%	20.1%	21.5%	19.4%	18.8%	24.6%	24.7%	24.2%	23.8%
Operating profit	1,461	1,544	1,707	1,887	2,380	3,227	4,030	4,323	5,169	5,498
YoY	-0.4%	5.7%	10.5%	10.6%	26.1%	35.6%	24.9%	7.3%	19.6%	6.4%
Operating profit margin	11.9%	11.3%	10.9%	9.7%	10.0%	13.3%	19.0%	17.8%	18.5%	17.8%
Non-operating income	96	96	133	188	83	81	144	169	224	290
Non-operating expenses	1	20	47	65	21	61	13	3	38	24
Recurring profit	1,556	1,620	1,793	2,010	2,442	3,247	4,162	4,489	5,356	5,764
YoY	2.0%	4.1%	10.7%	12.1%	21.5%	33.0%	28.2%	7.9%	19.3%	7.6%
Recurring profit margin	12.7%	11.8%	11.5%	10.4%	10.3%	13.4%	19.6%	18.5%	19.2%	18.6%
Extraordinary gains	252	91	75	37	163	35	14	-	72	142
Extraordinary losses	208	98	42	37	92	11	99	26	3	159
Income taxes	567	556	588	691	835	1,176	1,358	1,384	1,669	1,726
Net income attributable to non-controlling interests	15	47	93	155	247	278	355	341	499	473
Net income attributable to owners of the parent	1,018	1,010	1,145	1,165	1,431	1,817	2,363	2,738	3,257	3,548
YoY	8.1%	-0.7%	13.4%	1.7%	22.8%	27.1%	30.0%	15.8%	19.0%	8.9%
Net margin	8.3%	7.4%	7.3%	6.0%	6.0%	7.5%	11.1%	11.3%	11.7%	11.5%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

The company's revenue has grown at a CAGR of 10.8% over the past 10 years from FY03/16 through FY03/25. Revenue also declined in FY03/22, by 12.4% YoY, owing to the change in revenue recognition criteria, but would have increased 16.9% YoY when correcting for the new accounting standard. The company's revenue has seen a steady increase in real terms over the past 10 years.

Gross profit has also been on an upward trend over the past 10 years, mainly due to the effect of higher revenue. GPMs hovered around 30% through FY03/21 and have been around 43% since FY03/22. This increase was mainly the result of a change in the revenue recognition standard, whereby the company now recognizes the net amount of commissions it receives from other companies' products that it sells on their behalf, instead of the gross amount of revenue.

The CAGR for operating profit over the past 10 years was 15.9%. Although operating profit declined slightly from FY03/15 to FY03/16 due to higher personnel expenses resulting from increased hiring, it has basically trended upward, mainly on the back of higher revenue.

There were no particularly noteworthy developments in non-operating income/loss or extraordinary gain/loss. In non-operating income/loss, financial income, such as from interest or dividends, was the main item. Meanwhile, in extraordinary gain/loss, gain on sales of investment securities and head office relocation expenses were the largest items.

Balance sheet

Balance sheet (JPYmn)	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Assets										
Cash and deposits	4,369	5,674	5,195	5,862	6,987	9,681	9,322	9,429	13,509	14,958
Notes receivable, accounts receivable, and contract assets	2,361	2,374	2,687	3,205	3,427	3,626	4,331	5,278	5,513	6,682
Electronically recorded monetary claims	24	75	48	55	60	68	64	475	267	117
Securities	910	762	982	0	0	304	0	0	0	0
Merchandise	85	81	118	252	219	137	250	375	260	361
Costs on service contracts in progress	105	153	122	221	178	255	-	-	-	-
Deferred tax assets	139	170	-	-	-	-	-	-	-	-
Other business	221	288	605	524	681	622	808	850	1,006	1,718
Allowance for doubtful accounts	-1	-2	-2	-2	-3	-2	-2	-2	-4	-4
Total current assets	8,214	9,575	9,755	10,117	11,550	14,690	14,773	16,404	20,551	23,831
Buildings	178	161	144	130	129	115	125	134	118	131
Tools, furniture, and fixtures	152	145	150	144	152	129	154	148	127	149
Land	77	77	42	17	17	17	17	17	17	17
Total tangible fixed assets	408	383	337	292	298	262	296	299	262	298
Software	382	463	511	541	705	974	1,089	1,527	1,956	2,451
Goodwill	-	-	-	543	302	60	-	-	-	115
Other business	3	3	3	3	3	3	3	3	4	3
Total intangible assets	384	465	514	1,086	1,009	1,037	1,091	1,529	1,960	2,568
Investment securities	1,265	1,768	2,417	3,524	2,846	3,326	4,903	5,207	7,034	7,349
Deferred tax assets	201	233	389	438	598	438	402	423	310	324
Other business	304	378	379	450	437	1,395	1,337	1,339	1,189	1,230
Allowance for doubtful accounts	-3	-5	-5	-7	-7	-7	-7	-9	-8	-8
Investments and other assets	1,767	2,373	3,180	4,405	3,873	5,152	6,635	6,961	8,525	8,896
Total fixed assets	2,559	3,222	4,030	5,783	5,180	6,451	8,022	8,788	10,748	11,762
Total assets	10,773	12,796	13,785	15,900	16,730	21,142	22,795	25,193	31,298	35,593
Liabilities										
Accounts payable	1,205	1,269	1,488	1,238	1,294	1,358	1,794	1,899	1,917	2,342
Contract liabilities	-	-	-	-	-	-	1,254	1,422	1,671	1,912
Short-term borrowings	-	-	-	-	-	45	37	12	-	-
Income taxes payable	235	503	331	556	577	729	901	460	1,012	1,213
Provision for bonuses	251	284	307	357	474	473	515	556	676	843
Provision for loss on construction	-	-	-	-	-	-	-	-	-	8
Other business	912	1,107	1,393	1,607	1,881	2,516	1,418	1,557	2,105	2,238
Total current liabilities	2,603	3,163	3,518	3,758	4,227	5,121	5,919	5,906	7,382	8,556
Long-term borrowings	-	-	-	-	-	49	12	-	-	-
Provision for directors' retirement benefits	179	192	228	433	526	423	474	539	802	871
Retirement benefit liability	619	744	727	899	924	890	863	898	927	1,075
Asset retirement obligations	66	66	67	67	67	67	68	68	68	-
Deferred tax liabilities	24	66	67	175	58	199	244	234	468	492
Other business	-	-	-	-	-	-	20	20	-	-
Total fixed liabilities	887	1,069	1,089	1,573	1,575	1,628	1,681	1,758	2,265	2,439
Total liabilities	3,490	4,232	4,607	5,331	5,803	6,749	7,600	7,665	9,647	10,995
Capital stock	854	854	854	854	854	854	854	854	854	854
Capital surplus	884	1,226	1,219	1,460	1,458	1,901	1,904	1,903	1,932	2,157
Retained earnings	5,604	6,177	6,945	7,767	8,614	10,103	12,021	14,192	16,533	18,791

Proceeds from refund of leasehold and guarantee deposits	- - - - 8	0	1	7	0	0					
	Purchase of insurance funds	-	-	0	-0	-	-0	-2	-2	-2	-2
	Other business	0	-	0	-	-	-	-	-	89	32
	Free cash flow (1+2)	2,008	132	1,338	-364	2,278	2,893	2,165	1,238	5,099	2,915
Cash flows from financing activities		-278	322	-828	-33	-1,159	-408	-2,528	-1,130	-1,015	-1,465
	Repayments of borrowings	-	-	-	-	-	-15	-45	-37	-12	-
	Proceeds from exercise of employee share options	97	143	83	38	123	-	1	1	-	24
	Acquisition of own stock	-91	-344	-604	-548	-974	-0	-1,952	-444	-0	-325
	Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	480	-	101	-	-	-	-	-	430
	Purchase of own shares of subsidiaries	-	-	-	-	-	-0	-	-0	-	-
	Proceeds from share issuance to non-controlling shareholders	-	331	-	672	-	-	-	-	-	97
	Dividends paid	-269	-271	-268	-265	-260	-327	-456	-566	-912	-1,289
	Dividends paid to non-controlling interests	-16	-17	-39	-31	-49	-65	-76	-84	-91	-165
	Depreciation and amortization (A)	270	315	344	555	672	785	725	760	922	1,240
	Capital expenditures (B)	-401	-351	-384	-400	-595	-430	-775	-1,267	-1,320	-1,728
	Change in working capital (C)	-30	-5	103	910	138	61	378	1,378	-107	695
	Simple FCF (NI + A + B - C)	917	979	1,002	410	1,370	2,112	1,936	853	2,966	2,365

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Cash flows from operating activities

The company's cash flows from operating activities basically follow the movement of pre-tax profit. In FY03/23, cash flows from operating activities deviated slightly from pre-tax profit, mainly due to an increase in working capital on the back of higher revenues.

Cash flows from investing activities

The company's cash flows from investing activities were mainly affected by the acquisition of intangible assets centered on software-related investments, and the purchase and sale of investment securities to manage surplus funds.

Cash flows from financing activities

The company's cash flows from financing activities were mainly affected by dividends paid and acquisition of treasury stock.

Other information

History

The company's predecessor was established in August 1969 to provide real estate services. In May 1983, the company pivoted by opening a PC store, Softcreate, in Shibuya, Tokyo. In April 1985, the company launched contracted system integration services for corporate clients, which laid the groundwork for the current IT Solutions business. In December of the same year, it changed its name to Softcreate Corp. In January 1999, the company opened a PC-related e-commerce site, Tokka COM, to begin its e-commerce business. In October of the same year, the company began selling an e-commerce site development package based on the Tokka COM system, which eventually led to the current EC Solutions business. In April 2009, the company transferred Tokka COM, and in October 2012, adopted a pure holding company structure, changing its name to Softcreate Holdings Corp.

The company's mission is to contribute to the growth of its clients and the development of society by providing optimal IT solutions and services to medium-sized companies and the internal divisions of major companies through the combined strengths of sales and technology. Rather than being a mere vendor, the company aims to be the best solution provider partner for its clients.

With "Speed & Change" as its corporate slogan, the company aims to always be one step ahead of the times with its ability to respond to a changing society and its spirit of challenge without fear of failure.

Year	Month	
1969	Aug	Shirasaka Sangyo Co., Ltd. established to engage in real estate business.
1983	May	Shibuya branch of PC store Softcreate opened
1985	Apr	Launched contracted development system integration services
	Dec	Company name changed to Softcreate Corp.
1993	Apr	Launched network construction and maintenance services
1997	Jan	Launched online mail-order business
1999	Jan	Established internet shopping site Tokka COM
	Oct	Launched sales of ec-shop (now ecbeing) e-commerce site development package
2000	Mar	Established a data center and launched a hosting service
2001	Jan	Changed trademark from "ec-shop" to "ecbeing" and started distributor sales
2003	Apr	Launched X-point, a web form workflow system
2004	Mar	Capital alliance with OBIC Business Consultants Co., Ltd. through third-party allotment of new shares
2005	Apr	Listed on the Hercules market of the Osaka Securities Exchange
	Nov	Launched L2Blocker, a system for detecting and eliminating unauthorized PC connections
2007	Apr	Established Atled Corp.
2008	Jan	Launched AgileWorks, a workflow system for large companies
	Dec	Listed on the Second Section of the Tokyo Stock Exchange
2009	Apr	Transferred internet shopping business Tokka COM
2011	Mar	Listed on the First Section of the Tokyo Stock Exchange
2012	Sep	Launched SCCloud, a cloud solution service
	Oct	With the transition to a holding company structure, the company name was changed to Softcreate Holdings Corp. Transferred the system integration business to Softcreate Corp. and the e-commerce business to Ecbeing Corp.
2013	May	Capital alliance with Nihon Unisys, Ltd. (currently BIPROGY Co., Ltd.) through third-party allotment of new shares. Established a business alliance in the e-commerce business with Nihon Unisys and Ecbeing Corp.
2016	Dec	Atled Corp. listed on the Mothers section of the Tokyo Stock Exchange
2017	Apr	Launched SiteMiraIZ, a cloud-based CMS
	Sep	Launched visumo, an Instagram integration tool
2018	Apr	Made AtoJ, Inc. a subsidiary
	Jun	Launched Mercart, a cloud-based e-commerce platform
	Dec	Softcreate Corp. enters into a capital and business alliance with Exgen Networks Co., Ltd.
2019	Feb	Launched Sechstant, a DMP service
	Mar	Atled Corp. changed its listing to the First Section of the Tokyo Stock Exchange
	Aug	Released OMO App+, an option for building smartphone apps
2020	Apr	Launched ReviCo, a review optimization tool
2022	Apr	Moved from the First Section of the Tokyo Stock Exchange to the Prime Market due to a review of the Tokyo Stock Exchange's market classification
	Nov	Ecbeing Corp. establishes a new review marketing platform company, ReviCo Co., Ltd.
2024	Feb	Launched Safe AI Gateway, a generative AI service for corporate clients
	May	Launched Safe AI Bot, a generative AI chatbot
	Dec	visumo Inc. listed on the Growth Market of the Tokyo Stock Exchange

Source: Shared Research based on company materials

Corporate governance

Corporate governance (as of June 19, 2025)

Form of organization and capital structure	
Organizational type	Company with statutory auditors
Controlling shareholder	None
Foreign shareholding	More than 10% but less than 20
Directors	
Number of directors under Articles of Incorporation	10
Number of directors	7
Directors' terms under Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairperson (except when also serving as president)
Number of outside directors	2
Number of independent outside directors	2
Number of Audit & Supervisory Board members under Articles of Incorporation	5
Number of Audit & Supervisory Board members	3
Number of outside members of Audit & Supervisory Board	2
Number of independent outside members of Audit & Supervisory Board	0
Other	
Participation in electronic voting platform	In place
Providing convocation notice in English	In place
Implementation of measures regarding director incentives	Stock options
People eligible for stock options	Internal directors, employees, directors of subsidiaries, auditors of subsidiaries, employees of subsidiaries
Disclosure of directors' compensation	Individual compensation is not disclosed
Policy to determine amount and calculation method of remuneration	In place
Corporate takeover defenses	None

Source: Shared Research based on company data

Top management

Masaru Hayashi, representative director and chairman (born May 25, 1945)

After joining the company's predecessor, Shirasaka Sangyo Co., Ltd., in March 1971, Mr. Hayashi served as director; representative director and president; representative director, president, and CEO; and representative director, chairman, and CEO before being appointed representative director and chairman in May 2013. Mr. Hayashi is the de facto founder of the company. He is the father of Muneharu Hayashi, the current representative director and president, and Masaya Hayashi, the current representative director and vice president.

Year	Month	Summary
1971	Mar	Joined Shirasaka Sangyo Co., Ltd. (now Softcreate Holdings Corp.)
1971	Apr	Shirasaka Sangyo Co., Ltd., Director
1982	Apr	Shirasaka Sangyo Co., Ltd., Representative Director and President
2006	May	Softcreate Corp., Representative Director, President, and CEO
2006	Oct	Softcreate Corp., Representative Director, Chairman, and CEO
2008	May	Softcreate Corp., Representative Director and Chairman
2012	Jun	Softcreate Corp., Representative Director, Chairman, and Executive Officer
2012	Oct	Ecbeing Corp., Representative Director, Chairman, and Executive Officer (current) Softcreate Corp., Director
2013	Jan	Softcreate Holdings Corp., Representative Director, Chairman, Executive Officer, General Manager of the Corporate Planning department
2013	May	Softcreate Holdings Corp., Representative Director and Chairman (current)
2014	Apr	Softcreate Corp., Director, Chairman, and Executive Officer
2018	Jun	Zen-Noh EC Solutions Corp., Corporate Auditor (current)
2020	Sep	Joolen Inc., Director (current)
2024	Jun	Revico Inc., Director (current)

Source: Shared Research based on company data

Muneharu Hayashi, representative director and president (born August 23, 1974)

Muneharu Hayashi joined Softcreate Corp. (now Softcreate Holdings Corp.) in June 2000. He served as managing director; senior managing director; representative director, president, and COO; and representative director, president and executive officer before being appointed representative director and president in May 2013. In particular, he has worked to shift the business model of the IT Solutions business, centered on Softcreate Corp., from equipment sales to a business centered on services. He is the eldest son of Masaru Hayashi, the current representative director and chairman, who is the de facto founder of the company, and the older brother of Masaya Hayashi, the representative director and vice president, who leads the EC Solutions business.

Year	Month	Summary
2000	Jun	Joined Softcreate Corp. (now Softcreate Holdings Corp.)
2003	Jun	Softcreate Corp., Managing Director
2005	May	Softcreate Corp., Senior Managing Director
2006	May	Softcreate Corp., Representative Director, Senior Managing Director, COO, General Manager of Network Business department, and General Manager of Sales department 1
2006	Oct	Softcreate Corp., Representative Director, President, and COO
2007	Jan	Softcreate Corp., Representative Director, President, COO, and General Manager of the X-point business
2007	Apr	Atled Corp., Representative Director and President
2008	May	Softcreate Corp., Representative Director and President
2010	Apr	Softcreate Corp., Representative Director, President, and General Manager of the E-Commerce Business Promotion department
2011	Mar	Softcreate Corp., Representative Director, President, and General Manager of the E-Commerce Business Strategy department
2012	Apr	Softcreate Corp., Representative Director, President, and System Integration Company Representative
2012	Jun	Softcreate Corp., Representative Director, President, Executive Officer, and System Integration Company Representative
2012	Oct	Softcreate Holdings Corp., Representative Director, President, and Executive Officer Softcreate Corp., Representative Director, President, and Executive Officer (current)
2013	May	Softcreate Holdings Corp., Representative Director and President (current)
2015	Aug	Atled Corp., Director and Chairman
2017	Nov	Y2S Corporation, Director (current)
2018	Oct	Exgen Networks Co., Ltd., Director (current)
2020	Mar	2BC, inc., Director (current)
2023	Jan	Atled Corp., Representative Director and Chairman (current)
2024	Apr	System Works Japan Co., Ltd., Director (current)
2025	Apr	Quality I Inc., Director (current)

Source: Shared Research based on company data

Masaya Hayashi, representative director and vice president (born October 25, 1977)

Masaya Hayashi joined Softcreate Corp. (now Softcreate Holdings Corp.) in April 2000. He served as director; director, managing executive officer, and general manager of the EC Business division; and director, senior managing executive officer, and general manager of the EC Business division before being appointed representative director and vice president in June 2017. Masaya Hayashi leads the EC Solutions business, centered on Ecbeing Corp. He is the second son of the current chairman, Masaru Hayashi, the de facto founder of the company, and the younger brother of the current president, Muneharu Hayashi, who leads the IT Solutions business.

Year	Month	Summary
2000	Apr	Joined Softcreate Corp. (now Softcreate Holdings Corp.)
2004	Sep	TO System Ltd., Representative Director and President (current)
2005	Jun	Softcreate Corp., Director
2006	May	Softcreate Corp., Director and General Manager of the Product Business department
2006	Oct	Softcreate Corp., Director and General Manager of the E-Commerce Business department
2007	Apr	Softcreate Corp., Senior Managing Director and General Manager of the E-Commerce Business department
2007	Jul	Softcreate Corp., Director, Senior Managing Executive Officer, and General Manager of the E-Commerce Business department
2008	May	Softcreate Corp., Director, Managing Executive Officer, General Manager of the E-Commerce Business department, and Head of the E-Commerce Strategy Office
2009	Apr	Softcreate Corp., Director, Managing Executive Officer, and General Manager of the E-Commerce Business department
2011	Mar	Softcreate Corp., Director, Senior Managing Executive Officer, and General Manager of the E-Commerce Business department
2011	May	Softcreate Corp., Director, Senior Managing Executive Officer, General Manager of the E-Commerce Business department, and Head of the E-Commerce Service Promotion office
2012	Apr	Softcreate Corp., Director, Vice President, Executive Officer, and E-Commerce Company Representative
2012	Oct	Softcreate Holdings Corp., Director, Vice President, and Executive Officer Ecbeing Corp., Representative Director, President, and Executive Officer (current)
2013	May	Softcreate Holdings Corp., Director
2017	Jun	Softcreate Holdings Corp., Representative Director and Vice President (current)
2018	Apr	AtoJ, Inc., Director and Chairman
2018	Jun	Zen-Noh EC Solutions Corp., Director (current)
2019	Apr	visumo Inc., Representative Director
2019	May	AtoJ, Inc., Representative Director and Chairman (current)
2020	Mar	Japan Omni-Channel Association, Representative Director (current)
2022	Oct	Revico Inc., Director (current)
2023	Apr	visumo Inc., Director (current)

Source: Shared Research based on company data

Major shareholders (as of end-March 2025)

Top 10 major shareholders (as of end-March 2025)	Number of shares held (shares)	Shareholding ratio
T.O. System Co., Ltd.	6,967,940	27.97%
The Master Trust Bank of Japan, Ltd. (trust account)	1,813,900	7.28%
BIPROGY Inc.	1,308,000	5.25%
OBIC Business Consultants Co., Ltd.	1,291,800	5.19%
State Street Bank and Trust Company 505044 (standing proxy: Mizuho Bank, Ltd.)	902,608	3.62%
Masaru Hayashi	820,320	3.29%
Masaya Hayashi	809,330	3.25%
Muneharu Hayashi	806,928	3.24%
Custody Bank of Japan, Ltd. (trust account)	519,700	2.09%
MSIP Client Securities (standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	487,100	1.96%
Total	15,727,626	63.13%

Source: Shared Research based on company data

Note: Shareholding calculations exclude treasury stock.

Shareholder returns

The company's basic policy is to continuously pay dividends in line with business performance, making the distribution of profits to shareholders one of its most important management issues. The dividend payout ratio target is 40%. Simultaneously, the company builds up internal reserves to strengthen its management base, financial position, and support business expansion.

Dividends	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25	FY03/26
(JPY)										Company forecast
Dividends	10.00	10.00	10.00	10.00	15.00	20.00	25.00	48.00	55.00	62.00
EPS	37.00	42.74	44.04	54.84	69.33	90.99	108.68	129.89	141.93	151.74
Payout ratio	27.0%	23.4%	22.7%	18.2%	21.6%	22.0%	23.0%	37.0%	38.8%	40.9%

Source: Shared Research based on company data

Employees

Number of employees at end-FY	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25
Number of employees at end-FY	412	464	506	607	665	739	776	847	963	1,101
YoY	7.0%	12.6%	9.1%	20.0%	9.6%	11.1%	5.0%	9.1%	13.7%	14.3%
EC Solutions business	192	205	225	287	322	375	392	462	532	587
IT Solution business	-	-	-	-	-	-	354	356	406	492
System Integration business	134	159	173	215	234	253				
Merchandise Sales businesses	66	74	82	73	80	83				
Whole group (shared)	20	26	26	32	29	28	30	29	25	22
Parent	20	26	26	32	29	28	30	29	25	22
Subsidiaries	392	438	480	575	636	711	746	818	938	1,079
Temporary employees (not included above)	69	67	64	65	90	105	133	158	140	157
EC Solutions business	29	31	37	38	51	73	94	113	90	108
IT Solution business	-	-	-	-	-	-	35	44	48	47
System Integration business	31	27	27	27	38	31				
Merchandise Sales businesses	5	9	-	-	-	-				
Whole group (shared)	4	-	-	-	1	1	4	1	2	2
Parent	4	-	-	-	1	1	4	1	2	2
Subsidiaries	65	67	64	65	89	104	129	157	138	155

Source: Shared Research based on company data




About Shared Research Inc.

We offer corporate clients comprehensive report coverage, a service that allows them to better inform investors and other stakeholders by presenting a continuously updated third-party view of business fundamentals, independent of investment biases. Shared Research can be found on the web at <https://sharedresearch.jp>.

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