Financial Results
for the 6 Months Ended
June 30,2025

August 7,2025

SIOS ,Corp.

(Stock Code: 3744 on Standard Market of Tokyo Stock Exchange)

SIOS

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1. Consolidated Financial Results for H1 FY2025

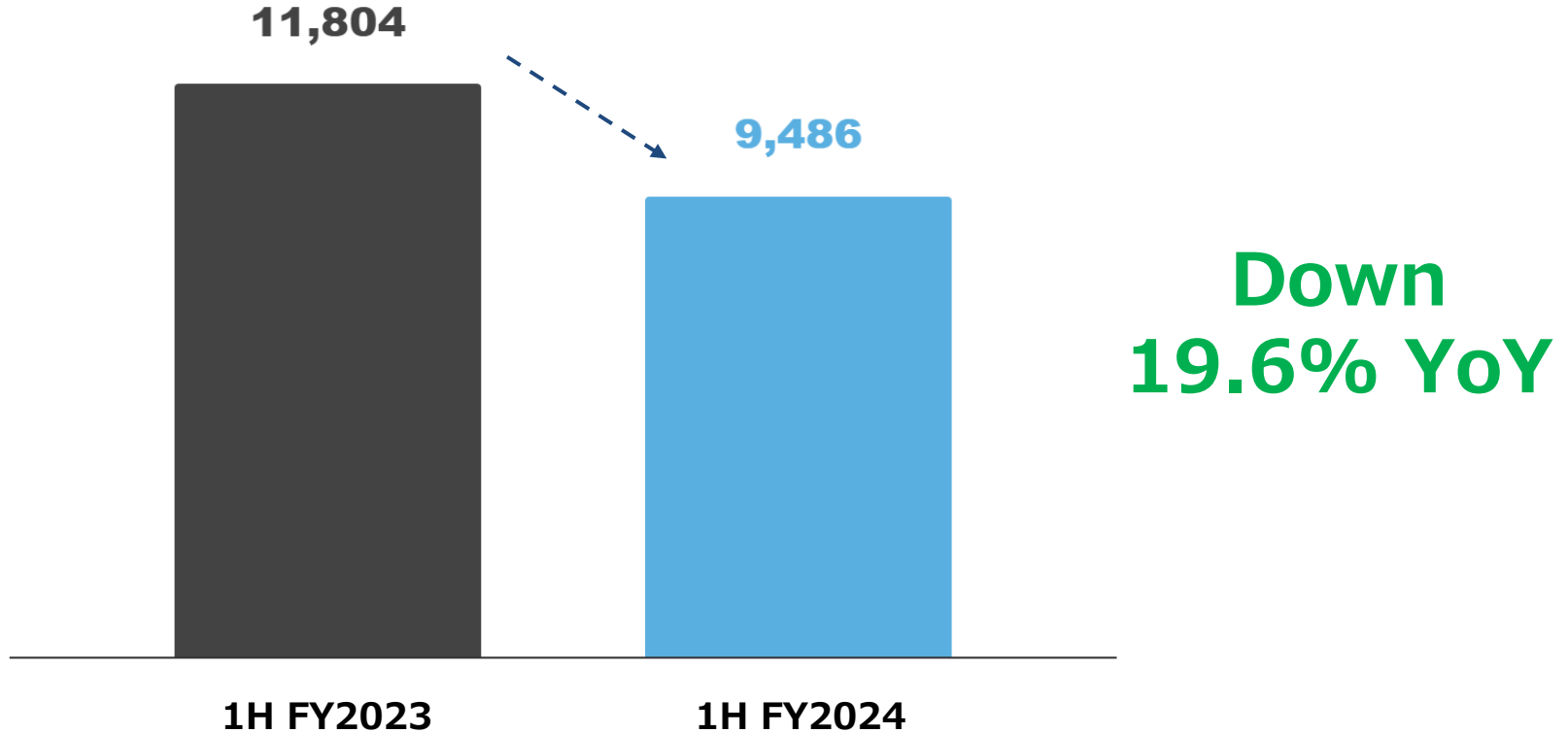# Consolidated Financial Results for H1 FY2025

(In millions of yen)	H1 FY2024 results	H1 FY2025 results	Change	%Change
Net Sales	11,804	9,486	-2,318	-19.6%
Gross profit	2,667	2,581	-86	-3.2%
Operating income	-18	179	+198	—
Ordinary income	57	221	+164	288.2%
Profit attributable to owners of parent	23	119	+95	407.0%
EBITDA	6	194	+187	2,748.2%
ROIC (annualized)	-1.9%	14.3%	—	—

*EBITDA: Operating profit + Depreciation + Amortization of goodwill
*ROIC: Operating profit after tax / (Shareholders' equity + Interest-bearing debts)
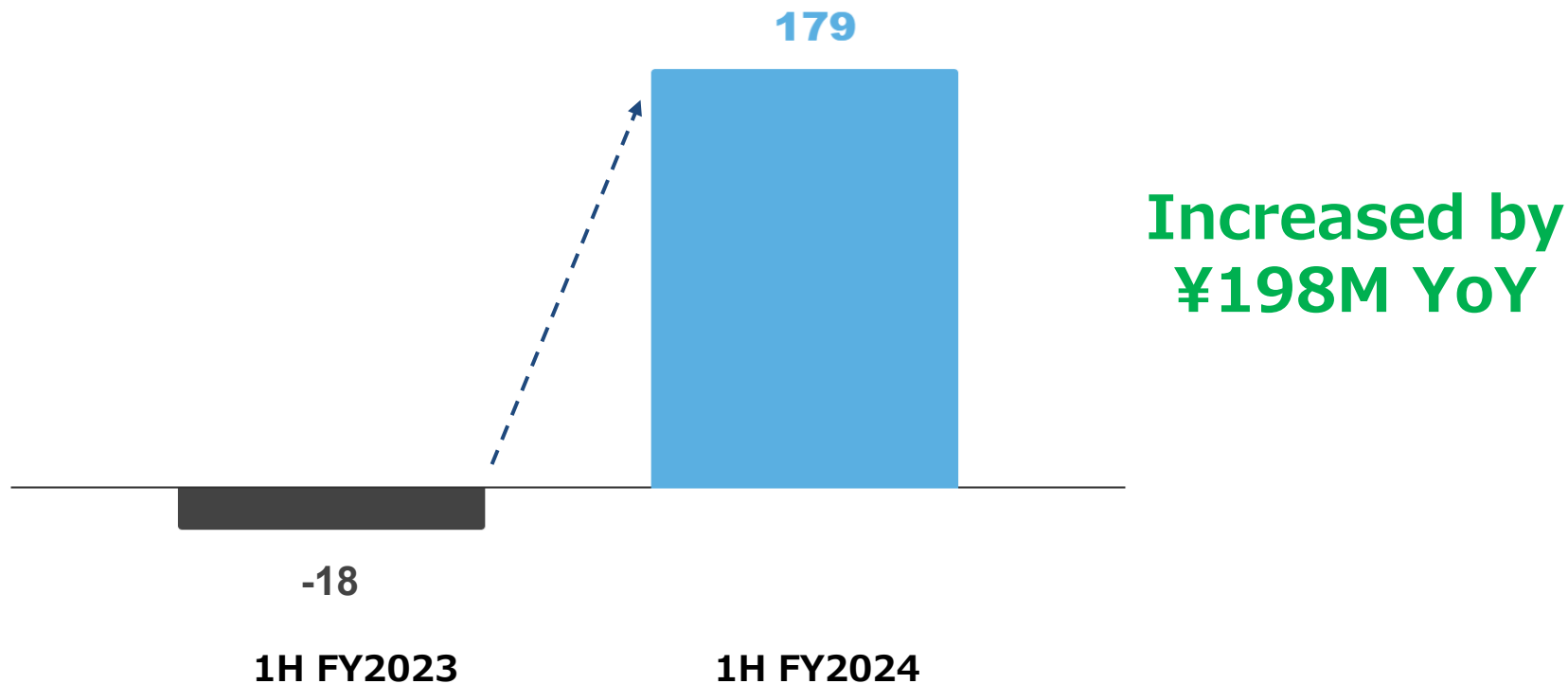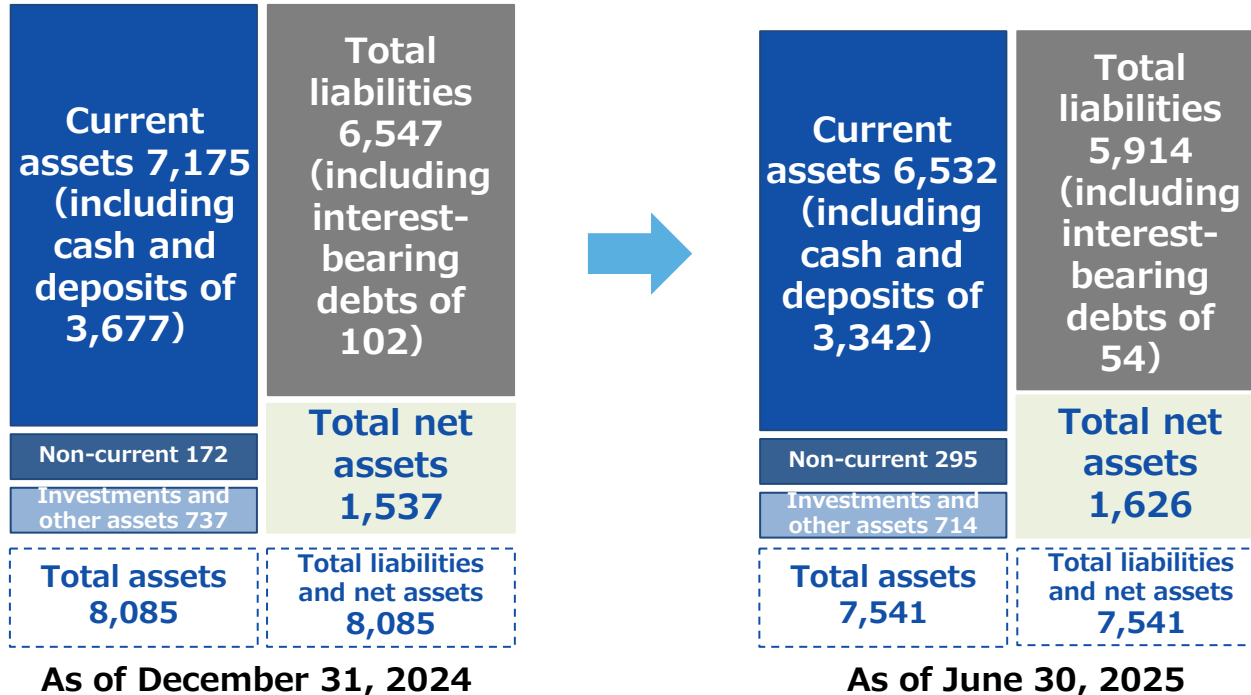
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Consolidated Net Sales

（In millions of yen）

11,804

9,486

1H FY2023

1H FY2024

Down 19.6% YoY

Consolidated Operating Profit

（In millions of yen）

179

Increased by ¥198M YoY

-18

1H FY2023

1H FY2024

Consolidated Balance Sheets

SIOS

（In millions of yen）

As of December 31, 2024

Current assets 7,175 (including cash and deposits of 3,677)	Total liabilities 6,547 (including interest-bearing debts of 102)
Non-current 172	Total net assets 1,537
Investments and other assets 737	
Total assets 8,085	**Total liabilities and net assets 8,085**

As of June 30, 2025

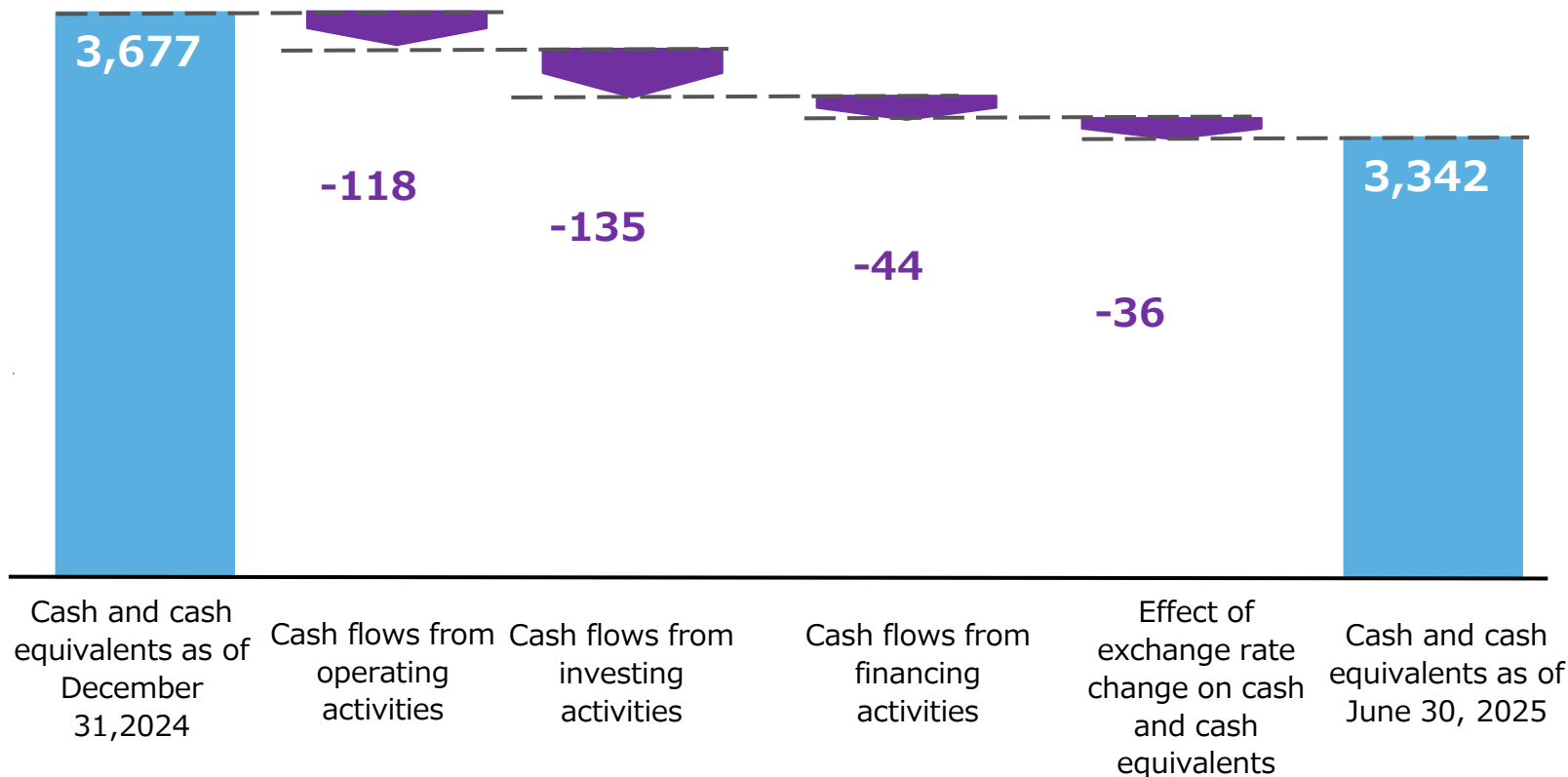| Current assets 6,532 (including cash and deposits of 3,342)	Total liabilities 5,914 (including interest-bearing debts of 54)
Non-current 295	Total net assets 1,626
Investments and other assets 714	
Total assets 7,541	**Total liabilities and net assets 7,541**

- The decrease in assets reflected a decrease of 335 million yen in cash and deposits.
- The decrease in liabilities reflected a decrease of 229 million yen in contract liabilities.

Analysis of Consolidated Cash Flows

（In millions of yen）

Cash and cash equivalents as of December 31,2024	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effect of exchange rate change on cash and cash equivalents	Cash and cash equivalents as of June 30, 2025
3,677	-118	-135	-44	-36	3,342

Cash Flow Analysis for H1 FY2025

		Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities
Net cash provided or used		¥118M net cash used	¥135M net cash used	¥44M net cash used
Breakdown	Amount of cash provided	• Profit before income taxes: ¥221M		
	Amount of cash used	• Income taxes paid: ¥236M • Decrease in contract assets: ¥144M	• Investments in internal IT systems: ¥132M	• Repayments of borrowings: ¥33M

2. Business Performance for H1 FY2025 by Segment

2-1. Products & Services
2-2. Consulting & Integration
2-3. Software Sales & Solution
2-4. Financial Results for H1 FY2025 by Segment

2-1. Products & Services

Our Core Products
Offered in the Products & Services Segment

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> We continually upgrade our in-house software and SaaS* offerings and leverage generative AI* solutions to support corporate clients in addressing their operational challenges and provide innovative value propositions.

Optimizing system resilience and availability without introducing additional complexities

LifeKeeper is designed for high-availability (HA) clusters*, monitoring system operations and seamlessly switching over to a standby system in the unfortunate occurrence of a system failure. This approach minimizes business disruptions and ensures uninterrupted operations.

Streamlining office workflows to enhance productivity

Gluegent Flow uses AI to facilitate electronic workflows for submissions and approvals of requests in the office environment. This streamlined process minimizes the time and effort associated with a traditional paper-based approval process.

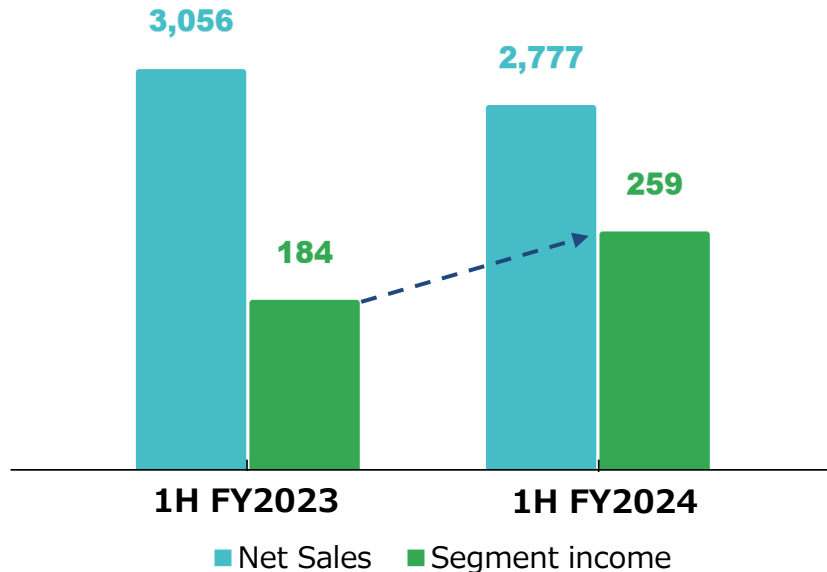## Streamlining document management on MFPs

QuickScan and Speedoc are document scanning apps designed for MFPs, streamlining the conversion of paper documents into digital formats. The addition of an AI-OCR* mode enhances the versatility of electronic document management.

Note: See the Glossary on page 29 for descriptions of terms with an asterisk.

Products & Services:
Business Performance for H1 FY2025

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- **Net sales were down 9.1% YoY, as a result of the divestiture of the management support systems business for financial institutions.**
- **Segment profit was up 40.7%, driven by strong sales of SaaS products.**

(In millions of yen)

Net Sales / Segment income chart:
- 1H FY2023: Net Sales 3,056, Segment income 184
- 1H FY2024: Net Sales 2,777, Segment income 259

Major achievements

- **LifeKeeper and DataKeeper (disaster-recovery protection software)**

  Worked more closely with AMIYA Corporation to meet corporate clients' increased needs for secure system operations and greater regulatory compliance, by **providing a safer and more dependable IT infrastructure**.

- **Gluegent Flow (cloud*-based workflow solution)**

  The inclusion of generative-AI-powered user assistance was met with positive feedback from corporate clients, leading to a surge in its sales and profitability.

  Received prestigious industry awards, including BOXIL SaaS Award and an ITreview Grid Award.

- **Gluegent Gate (cloud-based integrated ID management solution)**

  Released **Gluegent Gate Medical, an IDaaS* solution designed exclusively for the medical industry**, to meet hospitals' requirements for multi-factor authentication.

- **Quickscan and Speedoc (document management apps)**

  Incorporated AI-OCR capabilities into the both apps. Gained broader awareness among prospective corporate clients through on-site scanning demonstrations.

Sales Performance of Gluegent Flow and Gluegent Gate

The ARR of these two SaaS products has been following a consistent upward trend.
- **Gluegent Flow: The inclusion of generative-AI capabilities has enhanced its value propositions.**
- **Gluegent Gate: The release of a variant designed exclusively for medical institutions has expanded its customer base.**

【Combined ARR of Gluegent Flow and Gluegent Gate】

(In millions of yen)
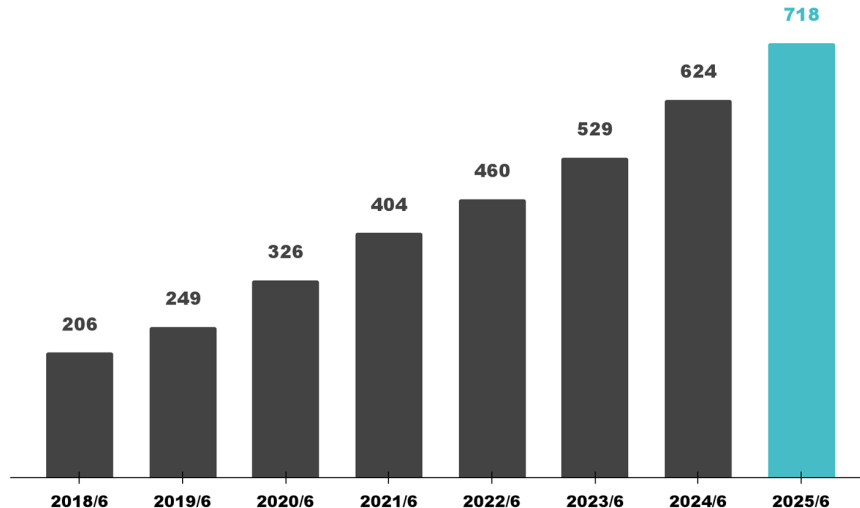
Combined ARR for FY 2025 was

Up 15.0% YoY

Gluegent Flow   **Gluegent Gate**

Up 29.6%   **Up 8.3%**

1. ARR: Annual Recurring Revenue, obtained by multiplying MRR (monthly recurring revenue, which is a predictable revenue that a business counts on receiving every month from subscriptions) by 12

2-2. Consulting & Integration

Our Core Services
Offered in the Consulting & Integration Segment

Leveraging our industry-leading expertise in open-source system development and product planning and development, we support corporate clients in addressing intricate information system challenges and transforming their business operations.

Supporting financial institutions in developing and implementing enterprise systems

Leveraging our extensive knowledge of the financial services industry and our engineering prowess, we design and implement enterprise systems that cater to the business and service requirements of financial institutions.
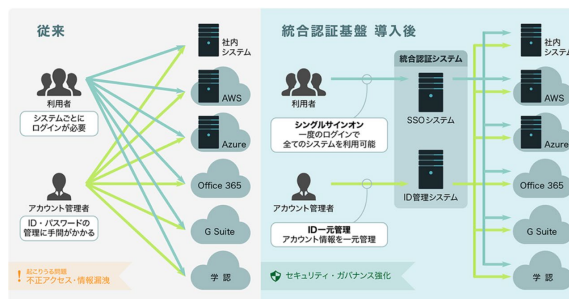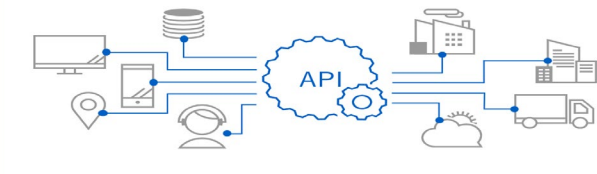
Supporting universities in developing and implementing IT systems (Has provided support to more than 100 universities to date)

The integration of a single sign-on* capability and advanced ID management fortifies universities' information security and governance frameworks without impeding accessibility.

Providing a one-stop service for designing an API ecosystem*

Our comprehensive service offers consulting, licensing support, and integration to help establish a robust API* ecosystem.

Consulting & Integration: Business Performance for H1 FY2025

- **Net sales were up 14.9% YoY: Up in business with universities and API solutions business. Down in business with financial institutions.**
- **Segment profit was up 19.9%: Up in business with financial institutions and universities.**

（In millions of yen）

1,526 178 1,755 213

1H FY2023   1H FY2024

■ Net Sales ■ Segment income
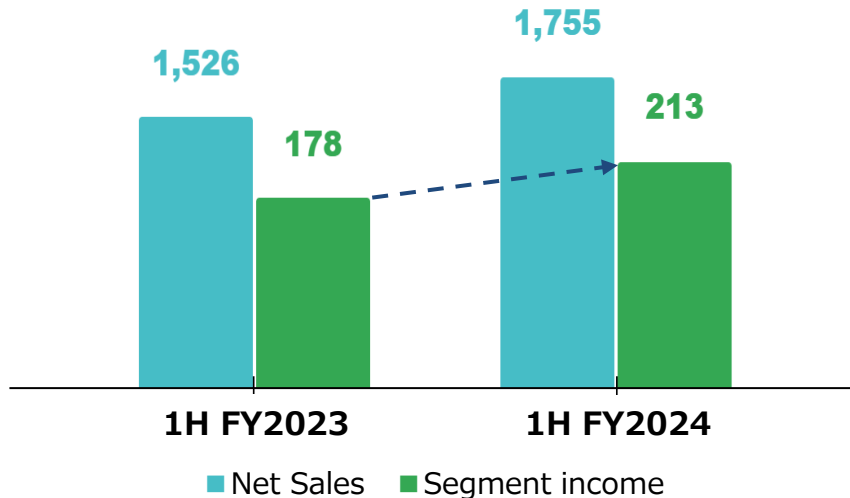
Major achievements

● **Business with the financial services industry (providing system development and maintenance to securities firms, banks, and cryptocurrency exchanges)**

Won more projects and increased profit.

● **Business with universities (providing integrated authentication solutions)**

Revenue from our legacy services remained strong. Offered following new services that leverage generative AI, RAG*, and container* solutions:

・Startup service for integrating an AI chatbot with a client's internal knowledge base

・Small startup package for deploying a container environment

● **API solutions business (providing consulting and development support for API ecosystems)**

Collaborated with technology partners, including Akamai Technologies GK, Scalar, Inc., JFrog Japan Ltd., and Boomi, LP., to expand our service offerings and expedite service development.

2-3. Software Sales & Solution

Our Core Products
Offered in the Software Sales & Solution Segment

We offer cutting-edge software products sourced from technology companies in and outside Japan and provide comprehensive technical support for them to enhance the robustness and versatility of corporate clients' IT infrastructure.

Red Hat

We maintain a longstanding partnership with Red Hat, Inc., spanning over two decades.

The SIOS Group is the largest distributor of Red Hat software products in the Asia-Pacific region. We use software sourced from Red Hat to build a high-performance, dependable enterprise-level IT infrastructure system for our corporate clients.
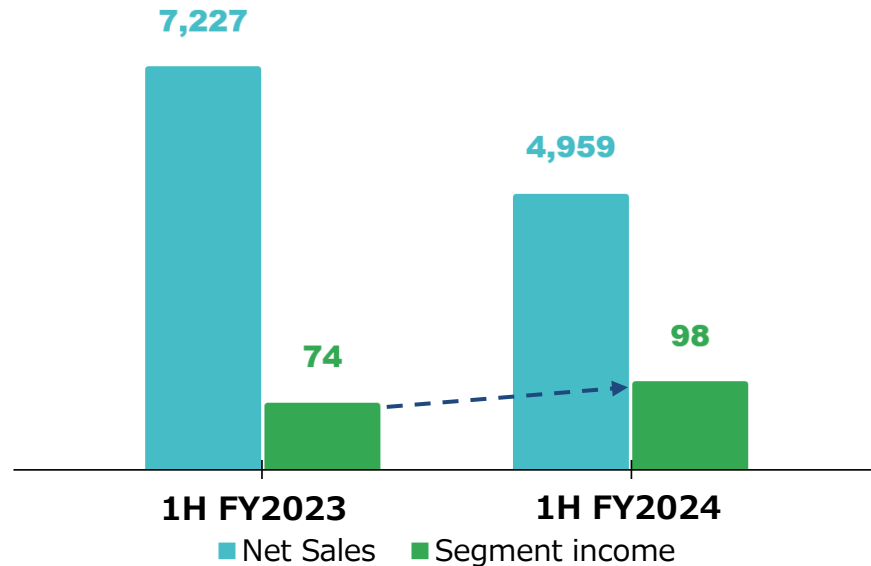
elastic

We are the first Japanese distributor for Elasticsearch B.V.

We integrate the Elastic Search AI Platform into RAG solutions to facilitate the wider adoption of generative AI in a Japanese corporate environment.

Software Sales & Solution:
Business Performance for H1 FY2025

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- **Net sales were down 31.4% from the same period previous year, when segment sales were bolstered by major project orders.**
- **Segment profit was up 31.7%. We achieved a higher gross profit margin. The partnership with Elasticsearch bolstered our profitability.**

（In millions of yen）

Major achievements

● **Partnership with Red Hat, Inc.**

We achieved a higher gross profit margin.

● **Partnership with Elasticsearch K.K.**

We entered into partnership with Elasticsearch in FY2024, which generated additional sales for us in FY2025.

2-4. Financial Results for H1 FY2025 by Segment

- **Products & Services: Achieved increased profitability from reduced sales volume, which was a consequence of the divestiture of a service line.**
- **Consulting & Integration: Achieved robust sales and profit in business with financial institutions and universities by catering to their needs for aggressive IT investments.**
- **Software Sales & Solution: Sales were down from the previous year, when segment sales were bolstered by major project orders. Segment profit was up due to a higher gross profit margin.**

(In millions of yen)		H1 FY2024 results	H1 FY2025 results	%Change
Products & Services	Net Sales	3,056	**2,777**	-9.1%
	Operating income	184	**259**	+40.7%
Consulting & Integration	Net Sales	1,526	**1,755**	+14.9%
	Operating income	178	**213**	+19.9%
Software Sales & Solution	Net Sales	7,227	**4,959**	-31.4%
	Operating income	74	**98**	+31.7%
Adjustments, including corporate expenses*	Net Sales	-5	**-6**	—
	Operating income	-455	**-391**	—
Total	**Net Sales**	**11,804**	**9,486**	**-19.6%**
	Operating income	**-18**	**179**	**—**

*Expenses associated with the Company's back-office departments, not attributable to reportable segments

3．Updated Financial Guidance

Updated Financial Guidance for FY2025

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- **Results for H1 FY2025: Achieved better performance than the initial guidance, as a result of robust business growth and better control of SG&A expenses.**
- **Guidance for H2 FY2025: We stay with the initial guidance for H2 to be conservative in light of uncertainties over the economic and business outlook.**
- **Annual guidance for FY2025: Updated to reflect positive developments achieved in the first half.**

(In millions of yen)	Initial guidance (announced in February 2025)	FY2025 Updated guidance	Change
Net Sales	19,000	**19,000**	—
Operating income	70	**220**	+150
Ordinary income	160	**290**	+130
Profit attributable to owners of parent	100	**200**	+100
Operating income	122	**272**	+150
ROIC	2.8%	**8.9%**	—
Dividend rate	—	**—**	

*EBITDA: Operating profit + Depreciation + Amortization of goodwill

*ROIC: Operating profit after tax / (Shareholders' equity + Interest-bearing debts)

4.Appendix

Making the impossible
for the people of the world

The SIOS Group pursues innovative software solutions to resolve issues affecting people and to contribute to a better society.

Three Driving Forces behind Our Mission

People

We are a dynamic team of specialists capable of driving a societal transformation.

Technology

We leverage cutting-edge technologies to drive innovation.

Culture

We refuse to go with the flow but choose to undertake an unexplored endeavor.

Glossary

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Page	Term	Description
12	**SaaS**	Software as a Serviceの略。ソフトウェアをクラウドサービスとして提供すること
12	**Generative AI**	Generative artificial intelligence. An AI system capable of generating new data and content from learned data.
12	**HA cluster**	High-availability cluster. A group of servers working together as a unified system to ensure continuous operations, even when one or more components fail.
12	**OCR**	Optical character recognition. A technology to convert text images and handwritten text into digital data.
13	**Cloud**	A system that enables access to computers and data from anywhere via the internet.
13	**IDaaS**	Identity as a service. An identity and access management solution delivered in the form of a cloud-based service.
16	**Single sign-on (SSO)**	An authentication method that enables users to access multiple applications and services with a single login and a single set of credentials.
16	**API**	Application programming interface. A set of protocols that enables different software programs and applications to share information and functions.
16	**API ecosystem**	A dynamic network of interconnected API-based software applications and services that work together to create greater value.

Glossary

Page	Term	Description
17	**RAG**	Retrieval-augmented generation. An architecture for optimizing the performance of an AI model by connecting it with an enterprise-specific knowledge base.
17	**Container**	A method to package and isolate a software application and its dependencies into a single portable unit to enable it to run consistently across different computing environments.

About SIOS Corporation

SIOS is Innovative Open Solutions

SIOS Corporation started as a system integrator that provided solutions based on Linux and other varieties of open source software. Today, the company serves as a holding company of the SIOS Group, which includes technology firms specializing in software products and SaaS solutions.

Under the mission of making the impossible possible for the people of the world, the SIOS Group is committed to pursuing innovative solutions that resolve issues affecting people and contributing to a better society.

Visit https://www.sios.com/en to learn more about us.

Headquarters	**SIOS Building, 2-12-3 Minami Azabu Minato-ku, Tokyo, Japan**
Capital	**1,481 million yen**
Established	**May 23, 1997**
Stock listed on	**TSE Standard Market (stock code: 3744)**
No. of employees	**481 on a consolidated basis (as of December 31, 2024)**
Main consolidated subsidiaries	**Japan:** **U.S.A.:** **SIOS Technology, Inc.** **SIOS Technology Corp.**

Cautionary Statement

SIOS

Forward-looking statements about the Company's business outlook contained in this document reflect management's assumptions and judgments made on the basis of available information, and may include risks and uncertainties. Significant risks and uncertainties that might affect our performance include, but are not limited to, the economic environment and market conditions in which we operate.

For inquiries about this document

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(+81-3-6401-5111 from outside Japan)

or fill in and send an online inquiry form available at:
https://mk.sios.com/SIOS_Inquiry_english.html