

Financial Results of fiscal 2023 and medium-term management plan

May 11, 2023
Systema Corporation
Security code: 2317
(Prime Market of the Tokyo Stock Exchange)

Company Outline

【Company name】	Systema Corporation	【Listed Monetary and Commodities Exchange】	TSE Prime market
【Established】	March 1983	【Capital Stock】	1,513,750,000 Yen
【Fiscal period】	March	【Number of outstanding shares】	450,880,000 shares
【Director】	Representative Director : Yoshichika Hemmi Representative Director : Kenji Miura Representative Director and President : Makoto Taguchi Director : Hiroyuki Fujii Director : Shingo Hemmi Director : Hiroshi Kotani Outside Director : Yukio Suzuki Outside Director : Kouichi Ogawa Outside Director : Mari Itoh		
【Auditor】	Full-time Corporate Auditor (Outside Corporate Auditor) : Toru Hishida Outside Corporate Auditor : Yoshihiro Nakamura, Hiroshi Adagawa, Nobushige Tokuono		
【Number of Employees】	Non-Consolidated:4,506/Consolidated:6,047 (As of Apr. 1, 2023)		

Solution Design Business

- ▶ Planning, design, development and verification support for automated driving and in-car systems, products and telecommunications services
- ▶ Planning, design, development and verification support for Internet-based business, commercial apps, web services, social infrastructure-related systems, IoT, AI and robot-related services

Framework Design Business

- ▶ Development of mission-critical systems for the financial sector (for the non-life insurance, life insurance, and banking industries), the industrial sector, public sector and other industries
- ▶ Development of infrastructure systems

IT Service Business

- ▶ Provision of IT outsourcing services including operation/maintenance/monitoring of systems and networks, help desk/user support, data input, large-volume output, software development support and technical support for information devices, quality verification of mobile devices/Web applications

Business Solution Business

- ▶ IT-related products for corporate customers, such as servers, computers, peripherals, and software
- ▶ Provision of infrastructure building, virtualization and other IT device/equipment-related services
- ▶ Provision of RPA solutions

Cloud Business

- ▶ Offering Systema's own service, 'Canbus,' 'Canbus.IoT', 'Cloudstep', 'Web Shelter'.
- ▶ Offering and supporting introduction of Google Workspace, Microsoft Office 365, and other cloud services

Overseas Business

- ▶ Mobile communication-related technical support, development and verification support, provision of various solutions
- ▶ Trend research and commercialization of the latest technologies and services

Investment & Incubation Business

- ▶ Planning and management of social games for mobile, smartphone, PC by subsidiary GaYa

Domestic Group Companies

● Consolidated subsidiaries

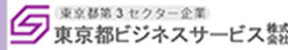


ProVision Co., Ltd.

【Capital】 85,000,000 Yen
【Ratio of capital contribution】 99.6%

• Comprehensive internet service business focusing on development support and quality evaluation of mobile terminal apps and internet content

(IT Service Business)

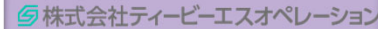


Tokyoto Business Service Co., Ltd.

【Capital】 100,000,000 Yen【Ratio of capital contribution】 Systema 51% TOKYO METROPOLITAN GOVERNMENT 49%

Data entry, Large volume output, Mailing service, Secretariat agency, Paperwork agency. Model company for employing heavily disabled persons incorporated jointly with TOKYO METROPOLITAN GOVERNMENT.

(IT Service Business)



TBSOPERATION CO., LTD

【Capital】 40,000,000 Yen
【Ratio of capital contribution】 Tokyoto Business Service Co., Ltd 100%

Employment transition support and continuous employment support based on the General Support for Persons with Disabilities Act. Employment training for persons with disabilities.

(IT Service Business)



IDY Corporation

【Capital】 65,000,000 Yen
【Ratio of capital contribution】 76.7%

Design, manufacture and sales of IoT/M2M router, LTE/3G/WiMAX2+/PHS router, Wi-Fi board, Android terminal, wireless digital signage, antenna etc

(Business Solution Business)

● Equity method affiliated companies



GaYa Co.Ltd.

【Capital】 75,000,000 Yen
【Ratio of capital contribution】 65%

Planning and management of social games for mobile, smartphone, PC

(Investment & Incubation Business)

MINGAL

MINGAL, Inc.

【Capital】 100,000,000 Yen
【Ratio of capital contribution】 60.0%

Development, distribution, maintenance, and operation of cloud services relating to professional practice

(Cloud Business)



HIS HOLDINGS, INC.

【Capital】 95,000,000 Yen
【Ratio of capital contribution】 25.0%

Development and sale of products (software) for computers and related equipment, Provision of personnel including computer engineers and technicians.

(Solution Design Business)

Overseas group companies

● Consolidated subsidiaries



Systema America Inc.

【Capital】 28,000,000 US dollar
【Ratio of capital contribution】
100%

Mobile communications-related technical support, development and verification support, Provision of various solutions, Trend research and commercialization of the latest technologies and services

(Overseas Business)



Systema Vietnam Co., Ltd.

【Capital】 200,000 US dollar
(4,200,000,000 Vietnamese DONG)
【Ratio of capital contribution】
100%

Software development, evaluation and verification, operation and maintenance, IT Service in General.
(Solution Design Business)
(Framework Design Business)

● Equity method affiliated companies



StrongKey, Inc.

【Capital】 7,650,000 US dollars
【Ratio of capital contribution】
28.8%

Development and sale of encryption and authentication products
※ StrongAuth, Inc. changed business name to StrongKey, Inc.

(Overseas Business)

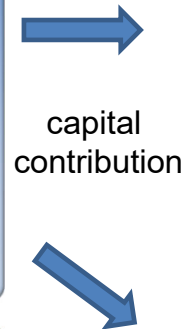


ONE Tech, Inc.

【Capital】 6,000,000 US dollars
【Ratio of capital contribution】
50%

Development and sale of IoT solution packages

(Overseas Business)



Financial Results of fiscal 2023 (Consolidated) <YoY rate>

Financial Results (Consolidated)

With the impact of the COVID-19 pandemic lessening and economic activities becoming normal, we speedily allocated management resources with a focus on growth fields, particularly in markets where we are able to leverage our strengths and become a winner, while also investing, such as continuing to recruit new graduates proactively and expanding office floor space, to increase the size of the business. As a result, net sales and operating profit increased 14.2% and 8.1% year on year, to 74,526 million yen and 9,844 million yen, respectively.

(in millions of yens)

	Fiscal 2023		Fiscal 2022		YoY rate	
	Amount	Profit ratio	Amount	Profit ratio	Amount of change	rate of change
Net sales	74,526	—	65,272	—	9,254	14.2%
Operating profit	9,844	13.2%	9,106	14.0%	738	8.1%
Ordinary profit	9,955	13.4%	8,578	13.1%	1,377	16.1%
Profit attributable to owners of parent	7,317	9.8%	5,992	9.2%	1,325	22.1%

Point 1

Solution Design Business

Net Sales 22,375 million yen	Year-on-year +8.3%	Operating Profit 3,926 million yen	Year-on-year ▲5.0%
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- ✓ We successfully received orders for large-scale projects in the in-car business, mainly in **Mobility**.
- ✓ Orders for PMO and IT services increased in the net business. Since the number of inquiries is high, we will continue to focus on them.
- ✓ The number of inquiries regarding PMO and IT consulting also increased from companies that will introduce DX services.
- ✓ Although the number of employees increased due to the recruiting of a large number of new graduates, the number of profitable new projects that were launched was relatively low due to the increased number of mid-career engineers that retired from the company.

Framework Design Business

Net Sales 6,095 million yen	Year-on-year +18.5%	Operating Profit 1,279 million yen	Year-on-year +26.1%
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- ✓ In the financial sector, an increase in the number of inquiries, especially inquiries regarding **DX-related** projects, resulted in higher sales. We are expanding into new areas such as **host migration** and **cloud business**.
- ✓ In the public sector, we actively expanded into projects for central government offices. The number of inquiries for both app development and infrastructure increased, which led to the expansion of our business.
- ✓ In the corporate sector, we have enhanced **low-code development**. We have acquired new projects through **integrated maintenance and development services** using DX labs.

Point 2

IT Service Business

Net Sales 17,753	million yen	Year-on-year +13.1%	Operating Profit 2,521	million yen	Year-on-year +14.7%
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- ✓ We focused on the expansion of two types of services, **IT business services** to help customers **facilitate DX** and **PMO services** to provide project management support mainly in association with the introduction of various types of tools and the improvement of business processes. These efforts contributed to higher sales and profits.
- ✓ We increased the **use of inbound sales** such as **IT training and security services** to acquire new core customers.

Business Solution Business

Net Sales 26,510	million yen	Year-on-year +18.9%	Operating Profit 1,760	million yen	Year-on-year +22.5%
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- ✓ Uncertainty grew due to rising materials prices, the high cost of living and other factors. With an eye toward the endemic COVID-19 era, however, we strengthened our sales activities in response to the easing of restrictions on activities.
- ✓ In the system integration business, we received orders for building of hybrid environments, migration to a cloud environment for digitalization, system development projects, and maintenance services.
- ✓ The number of inquiries increased for projects that require **one-stop services**, high value-added solutions that include the understanding of **roadmaps**, the introduction of IT equipment, the construction of IT infrastructure, the utilization of the cloud and the development of systems, as well as maintenance/operation projects.

Point 3

Cloud Business

Net Sales 2,007 million yen Year-on-year +11.2% **Operating Profit** 386 million yen Year-on-year ▲4.9%

- ✓ There has been an increase in the number of inquiries for **Canbus.**, a product that enables low-code development, reflecting growing demand for the replacement of operation systems due to the recent promotion of DX.
- ✓ The number of orders for **PMO** and **integration** for operational reforms **increased** from the customers using **Canbus.** to facilitate their DX.
- ✓ New markets for "Canbus." further cultivated because of **strengthening of our alliances.**

Overseas Business

Net Sales 134 million yen Year-on-year ▲23.8% **Operating Profit** ▲29 million yen Year-on-year ▲19 million yen

- ✓ We have **continuously received orders for system development and verification services** from Japanese companies despite poor performance in the technology industry as a whole in the U.S.
- ✓ **A system development and verification business for a new company started** thanks to an introduction from a long-standing customer.
- ✓ Many orders have been received **for projects for the development of PoC**, where Japanese companies verify start-ups' technologies.
- ✓ **The number of inquiries and orders for "Canbus.," increased in the U.S. as well.**
- ✓ **The number of inquiries increased rapidly** because StrongKey Inc., our group company, **successfully adapted its secure network communication (PKI) to the unified standard of Smart Home (Matter), a forerunner in the industry.**

Financial Results (Consolidated, YoY rate)

Sales by Segment

(in millions of yens)

	Fiscal 2023		Fiscal 2022		YoY rate	
	Amount	Sales Distribution ratio	Amount	Sales distribution ratio	Amount of change	rate of change
Solution Design	22,375	30.0%	20,663	31.6%	1,711	8.3%
Framework Design	6,095	8.2%	5,143	7.9%	952	18.5%
IT Service	17,753	23.8%	15,690	24.0%	2,063	13.1%
Business Solution	26,510	35.6%	22,290	34.1%	4,220	18.9%
Cloud	2,007	2.7%	1,804	2.8%	202	11.2%
Overseas	134	0.2%	176	0.3%	▲41	▲23.8%
Investment Incubation	309	0.4%	171	0.3%	137	80.2%
Adjustment	▲660	▲0.9%	▲668	▲1.0%	7	—
Total	74,526	100.0%	65,272	100.0%	9,254	14.2%

Financial Results (Consolidated, YoY rate)

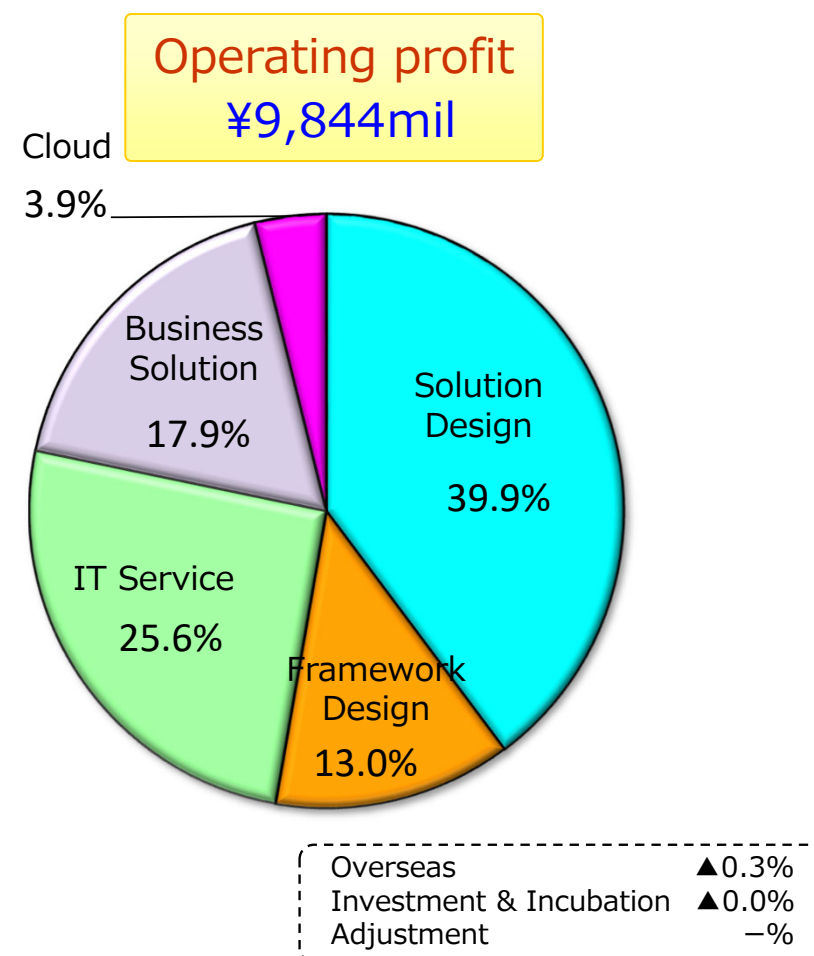
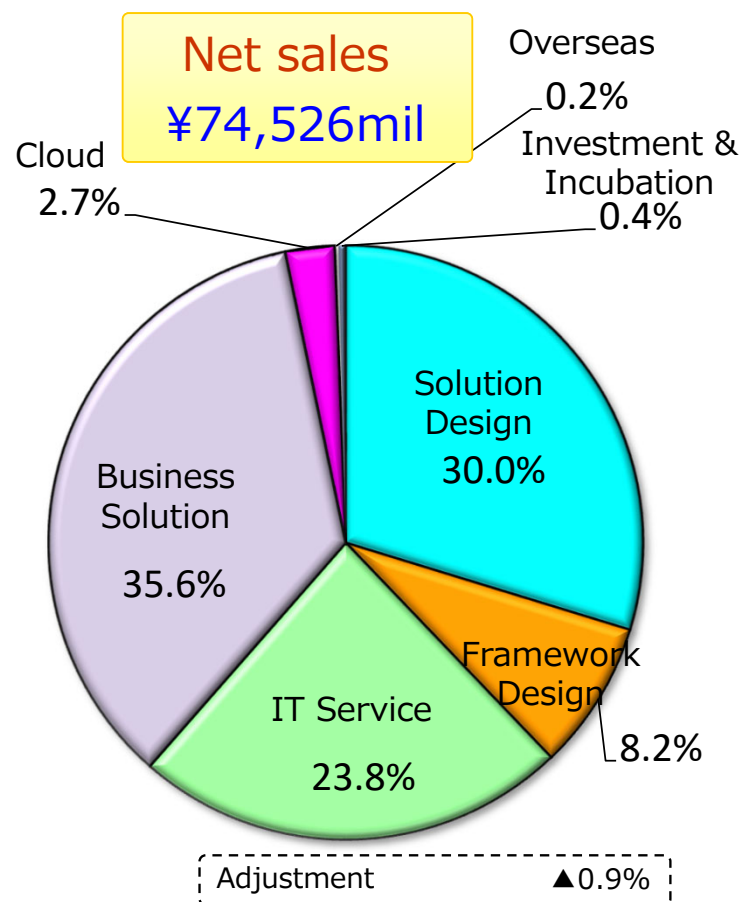
Operating profit by Segment

(in millions of yens)

	Fiscal 2023		Fiscal 2022		YoY rate	
	Amount	Profit ratio	Amount	Profit ratio	Amount of change	rate of change
Solution Design	3,926	17.5%	4,132	20.0%	▲205	▲5.0%
Framework Design	1,279	21.0%	1,014	19.7%	264	26.1%
IT Service	2,521	14.2%	2,197	14.0%	323	14.7%
Business Solution	1,760	6.6%	1,436	6.4%	323	22.5%
Cloud	386	19.3%	406	22.5%	▲19	▲4.9%
Overseas	▲29	▲21.8%	▲9	▲5.3%	▲19	—
Investment Incubation	▲0	▲0.2%	▲72	▲42.4%	72	—
Adjustment	—	—	—	—	—	—
Total	9,844	13.2%	9,106	14.0%	738	8.1%

Financial Results (Consolidated)

Composition of Net Sales and Operating Profit by Segment



Earnings Forecast for Fiscal 2024 (Consolidated, Full Year)

Earnings Forecast for the Full Year (Consolidated, YoY rate)

(in millions of yens)

	Fiscal 2024 Earnings Forecasts		Fiscal 2023		YoY rate	
	Amount	Profit ratio	Amount	Profit ratio	Amount of change	rate of change
Net sales	80,386	—	74,526	—	5,859	7.9%
Operating profit	10,610	13.2%	9,844	13.2%	765	7.8%
Ordinary profit	10,644	13.4%	9,955	13.4%	688	6.9%
Profit attributable to owners of parent	7,233	9.8%	7,317	9.8%	▲84	▲1.1%

1-1. Solution Design Business

Outlook for this Period

Net Sales 24,500 million yen compared with previous period + 9.5%

Operating Profit 4,020 million yen compared with previous period + 2.4%

Selection and concentration. We aim to create high value-added business areas.

1. Actively focusing on businesses development in growth areas

- **Actively cultivate new markets** in highly prospective areas such as **Mobility, 5G, AI, IoT, Cashless payment and DX.**

2. Shifting to the provision of total solutions

- **Support all processes** of customers' services **from IT consulting to operation.** By expanding the areas from not only design, development, and assessment, but also to planning, operation, IT consulting, and service operation, we provide added value to customers and **aim to be a highly profitable company.**

3. Actively recruiting human resources and reinforcing the education system

- With an eye toward **long-term growth**, we will actively recruit human resources and promote collaboration with partners. We will strengthen our education system with the **goal of providing high added value to customers.**

2. Framework Design Business

Outlook for this Period

Net Sales 6,900 compared to previous period
million yen +13.27%

Operating Profit 1,450 compared to previous period
million yen +13.3%

Continue active expansion to growth fields in each of the financial, public, and corporate areas. Aim to maximize the number of orders by utilizing development know-how and advanced technologies.

1. Maximizing existing businesses and expanding into growth areas

- The continuation of projects centered on insurance/financial systems and infrastructure building and the active expansion to the public sector and corporate area.

2. Actively securing orders for DX projects

- Enhance both sales and technological systems for receiving orders for DX projects, such as the renewal of core systems (migration) and the use of cloud services.

3. Further expanding high value-added projects

- Enhance the DX labs and expand the services that address low-code development and DX solutions. Enhance competitive power along with the improvement of added value with the goal of continuing to improve profitability.

3-1. IT Service Business

Outlook for this Period

Net Sales 19,413

compared to previous period
million yen +9.3%

Operating Profit 2,800

compared to previous period
million yen +11.1%

Expand the service, market, and customer bases for DX-related demand, with the goal of continuing to expand business fields.

1. Focusing on the provision of services that are more directly connected to the growth of the customer's business.

- We will provide **PMO services** to improve operations and introduce cloud solutions for customers who are considering cost optimization.

2. Expanding services that support quality improvement in agile development

- We will **actively expand into the QA field for operations systems** leveraging our knowledge of the provision of agile testing services for web applications, mobile applications and social media service games.

3. Developing new customers that will support our continuous growth

- In addition to outbound sales, we will **more** effectively utilize **inbound sales** such as services referral websites and webinars.

4-1. Business Solution Business

Outlook for this Period

Net Sales 27,630 compared to previous period
million yen +4.2%

Operating Profit 1,874 compared to previous period
million yen +6.4%

Although there is uncertainty due to the rising materials prices, the high cost of living, and other factors, our investments in new initiatives with an eye toward the endemic COVID-19 era in response to the easing of restriction on activities, the improvement of productivity through DX, and the enhancement of our competitive capabilities have increased. The impact of the semiconductor shortage will improve gradually

Shifting our focus from physical business to service business

1. Investment in expanding the solutions segment

- Expand the service menu and expand sales to the profit division

2. Enhance initiatives aimed at hybrid environments

- Bolster response for hybrid environments and alliances with cloud makers

3. Expanding DX related services

- Enhance system development and the application reconfiguration business in a multi-cloud environment.

4. Strengthen earnings capacity through expanded sales of services

- Provide ALL Systema's services on a one-stop basis

5. Cloud Business

Outlook for this Period

Net Sales 2,250 compared to previous period
million yen +12.1%

Operating Profit 439 compared to previous period
million yen +13.6%

We are making proactive advance investments in our own services, primarily Canbus., with the aim of deploying these services in the field of DX.

1. Increasing the brand recognition of Canbus. and strengthening sales promotion

- We will aggressively **enhance Canbus.-related alliances** while simultaneously striving to improve its brand recognition and cultivate new customers.

2. Investment with a view toward global expansion

- We will develop new customers overseas in collaboration with Systema America Inc.

3. Enhancing services through advance investment

- To enable the realization of various services from the perspective of DX platforms, we will **strengthen human resources** to improve our support capabilities and achieve an **increased level of customer satisfaction** while simultaneously **enhancing** product power.

6. Overseas Business (Systema America Inc.)

Outlook for this Period

Net Sales 178

compared to previous period
million yen +43million yen

Operating Profit 1

compared to previous period
million yen +30million yen

1. Efforts to increase orders for system development and verification services from Japanese companies and the application of services for other customers

- Increase orders by enhancing customer satisfaction with system development and verification services being implemented and facilitate the application of services for other customers

2. Technical support for the development of PoC between Japanese companies and start-ups.

- Increase orders for projects for the development of PoC between Japanese companies in Silicon Valley and start-ups, and utilize offshore development in Japan and Vietnam, which secures development quality.

3. Sales expansion of the DX service "Canbus."

- Increase orders for the Canbus. as a DX support service for local companies in the U.S. to realize digitalization of their operational workflows and paperless operations, etc.

4. Sales expansion of BPO service "Remote-Hand"

- Increase orders for Remote-Hand, a ticket-based business support service that is available remotely and by time, against a background of soaring labor costs in the U.S.

5. Collaboration with our group subsidiaries

- Further enhance collaboration in sales with StrongKey Inc. and ONE Tech Japan Inc. to expand sales including the services that both companies provide to companies around the world.

Earnings Forecast for the Full Year (Consolidated, YoY rate)

Sales by Segment

(in millions of yens)

	Fiscal 2024 Earnings Forecasts		Fiscal 2023		YoY rate	
	Amount	Sales distribution ratio	Amount	Sales distribution ratio	Amount of change	rate of change
Solution Design	24,500	30.5%	22,375	30.0%	2,124	9.5%
Framework Design	6,900	8.6%	6,095	8.2%	804	13.2%
IT Service	19,413	24.2%	17,753	23.8%	1,659	9.3%
Business Solution	27,630	34.3%	26,510	35.6%	1,119	4.2%
Cloud	2,250	2.8%	2,007	2.7%	242	12.1%
Overseas	178	0.2%	134	0.2%	43	32.7%
Investment Incubation	175	0.2%	309	0.4%	▲134	▲43.5%
Adjustment	▲660	▲0.8%	▲660	▲0.9%	0	0%
Total	80,386	100.0%	74,526	100.0%	5,859	7.9%

Earnings Forecast for the Full Year (Consolidated, YoY rate)

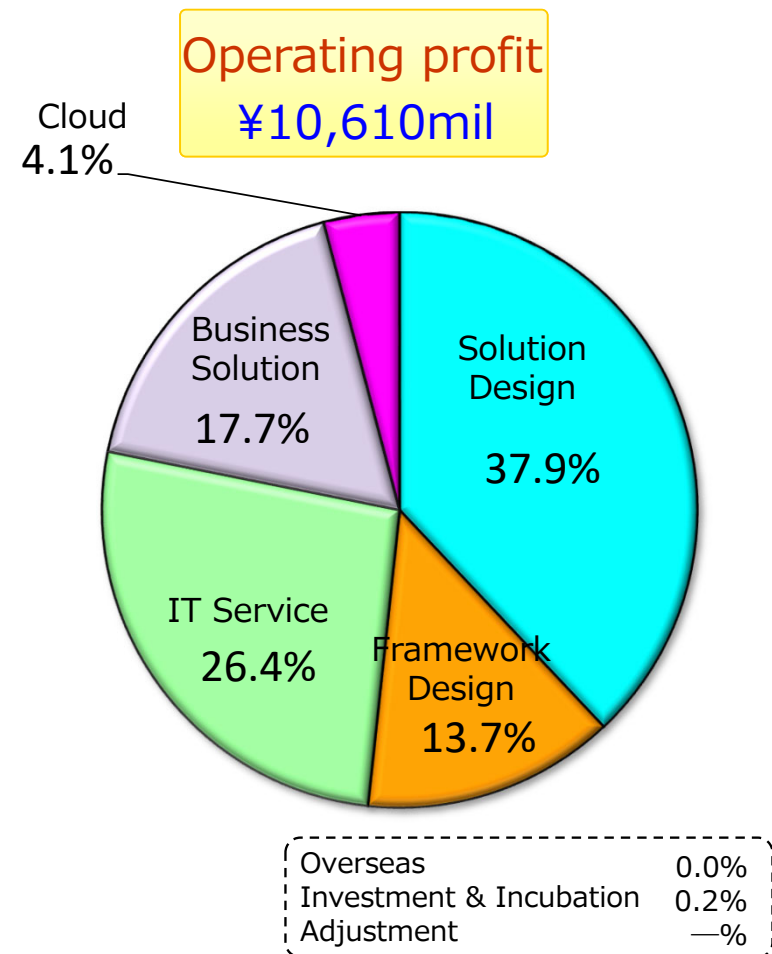
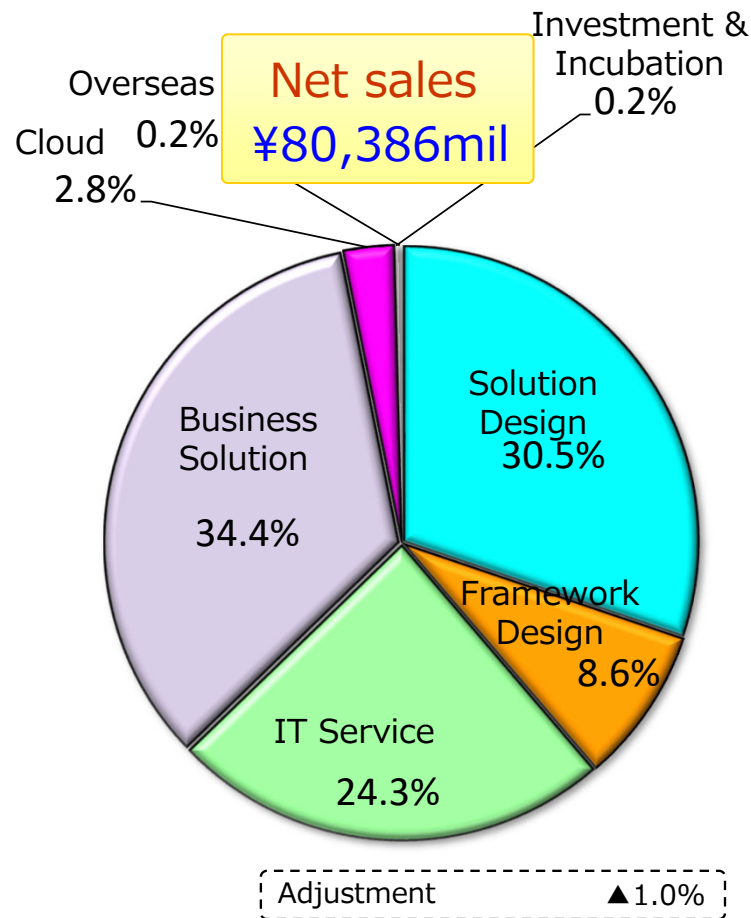
Operating profit by Segment

(in millions of yens)

	Fiscal 2024 Earnings Forecasts		Fiscal 2023		YoY rate	
	Amount	Profit ratio	Amount	Profit ratio	Amount of change	rate of change
Solution Design	4,020	16.4%	3,926	17.5%	93	2.4%
Framework Design	1,450	21.0%	1,279	21.0%	170	13.3%
IT Service	2,800	14.3%	2,521	14.2%	278	11.1%
Business Solution	1,874	6.8%	1,760	6.6%	113	6.4%
Cloud	439	19.5%	386	19.3%	52	13.6%
Overseas	1	0.6%	▲29	▲21.8%	30	—
Investment Incubation	26	14.9%	▲0	▲0.2%	26	—
Adjustment	—	—	—	—	—	—
Total	10,610	13.2%	9,844	13.2%	765	7.8%

Earnings Forecast (Consolidated)

Composition of Net Sales and Operating Profit by Segment



Systema Group Management Objectives and Basic Policy

(1) Basic Management Policy

The management objective of the Systema Group is
**to become one of Japan's leading IT
companies and support the Japanese
economy from the ground up!**

To achieve this, we embrace the basic policy of balanced management, controlling the conflicting qualities of “destruction and creation,” “stability and growth” and “maintenance and innovation” in the right balance while continually placing the axis of management at the central point of the pendulum.

(2) Targeted Management Indicators

- Stable and high dividends
- High return on equity
- High ratio of operating profit to sales

To achieve these targets, we will strive to establish a high earnings structure consistent with a basic management policy emphasizing balance between growth and stability.

Systema medium-term management plan (Fiscal 2019~ Fiscal 2025)

Major Management Policy

Improve Productivity with Data-Driven Management

- We will implement high-precision cost price management and grasp real profits and losses at an early stage by utilizing IT business management systems built using our proprietary Systema-developed platform Canbus.
- Based on visualization of management data and management information enumerated using predictive AI, we will seek to thoroughly improve productivity with the aim of maximizing profits.

Medium-Term management plan

Strategies

- (1) **Automotive**
- (2) **"Cashless"/payment settlement**
- (3) **Robotics/IoT/RPA/cloud**
- (4) **Own-brand products and services**

We will **focus management resources** on the fields expected to experience the most growth over the next decade.

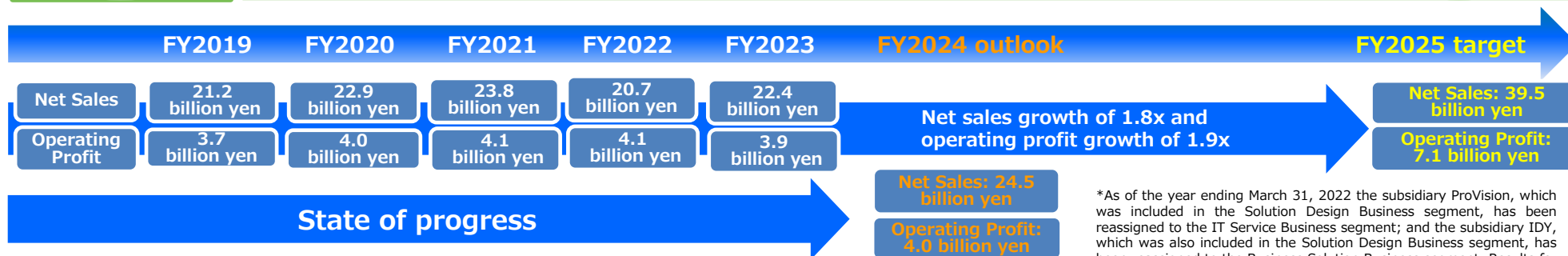
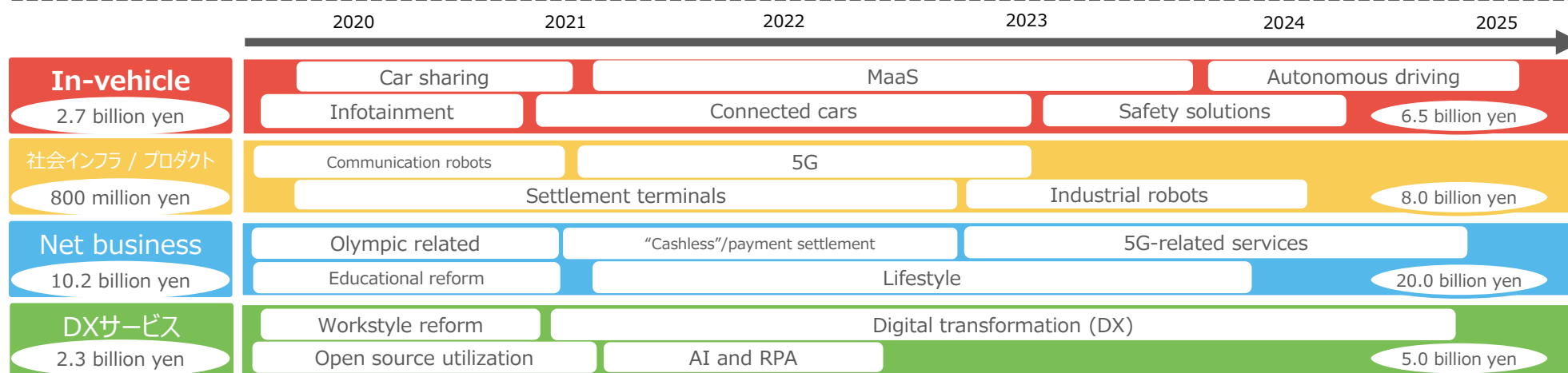
Targeted Management Indicators and Outlook for Fiscal 2025

(hundreds of millions of yen)

KPI	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3 Earnings Forecast	2025/3 target
Net Sales	59,742	64,552	60,871	65,272	74,526	80,386	101,000 (1.7x)
Operating Profit	6,902	8,163	8,006	9,106	9,844	10,610	15,200 (2.2x)
Operating profit margin	11.6%	12.6%	13.2%	14.0%	13.2%	13.2%	15.0%
Operating profit per employee	2.13	2.32	1.99	1.98	1.89	1.83	2.60 (20% increase)
ROE	24.6%	25.5%	20.6%	21.6%	22.9%	20.1%	25%

1 .Solution Design Business

- ✓ We will focus on net business, for which there is an increase in social demand due to the impact of COVID-19, with the aim of industry expansion. We will also be selecting and focusing on in-car business, which is currently undergoing an industry-wide transformation, with a view to establishing long-term competitiveness.
- ✓ There is an increasing demand for digital transformation as a result of customers transforming their business models and processes. We will aim to expand business operations not only through system integration but also through the provision of our own proprietary services.

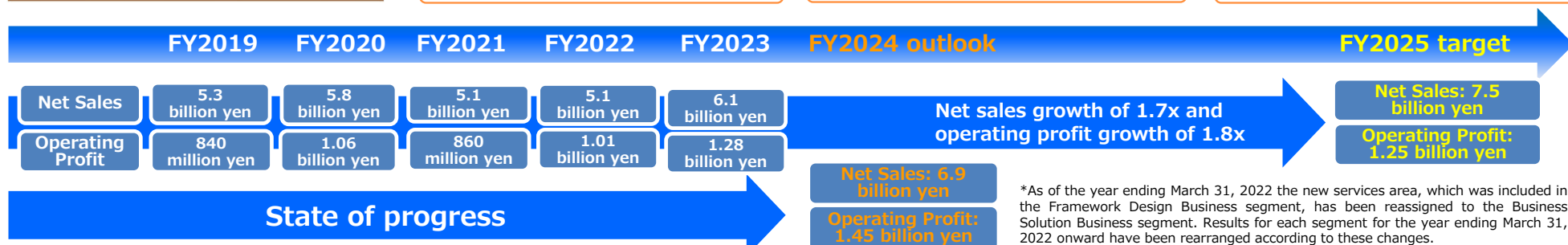
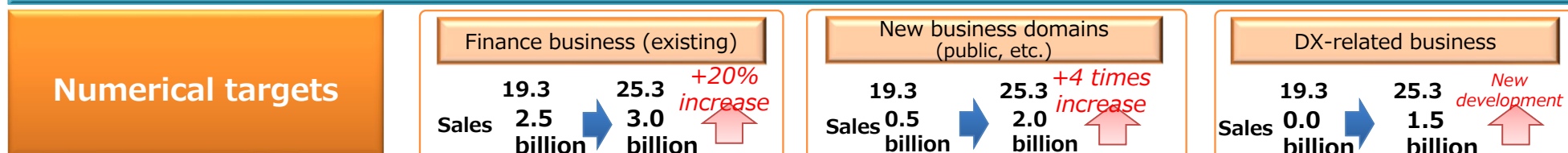
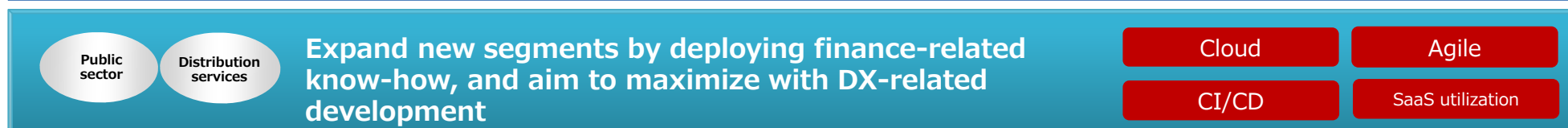
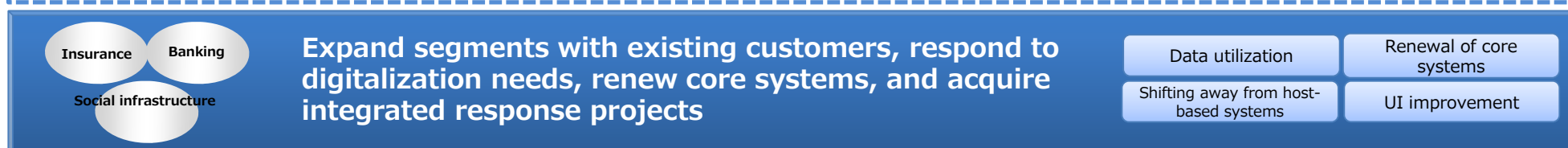


*As of the year ending March 31, 2022 the subsidiary ProVision, which was included in the Solution Design Business segment, has been reassigned to the IT Service Business segment; and the subsidiary IDY, which was also included in the Solution Design Business segment, has been reassigned to the Business Solution Business segment. Results for each segment for the year ending March 31, 2022 onward have been rearranged according to these changes.

2. Framework Design Business

In the Framework Design Business we will

- ✓ **Deploy know-how on financial systems development** while also **aiming to achieve transformations toward responding to DX**
- ✓ **Proactively develop both new and existing customers**
- ✓ Offer total support including development, infrastructure and maintenance by **enhancing our frameworks for undertaking commissioned development.**
- ✓ **Create new growth engines** for the DX era and deploy them in SaaS utilization development



*As of the year ending March 31, 2022 the new services area, which was included in the Framework Design Business segment, has been reassigned to the Business Solution Business segment. Results for each segment for the year ending March 31, 2022 onward have been rearranged according to these changes.

3. IT Service Business

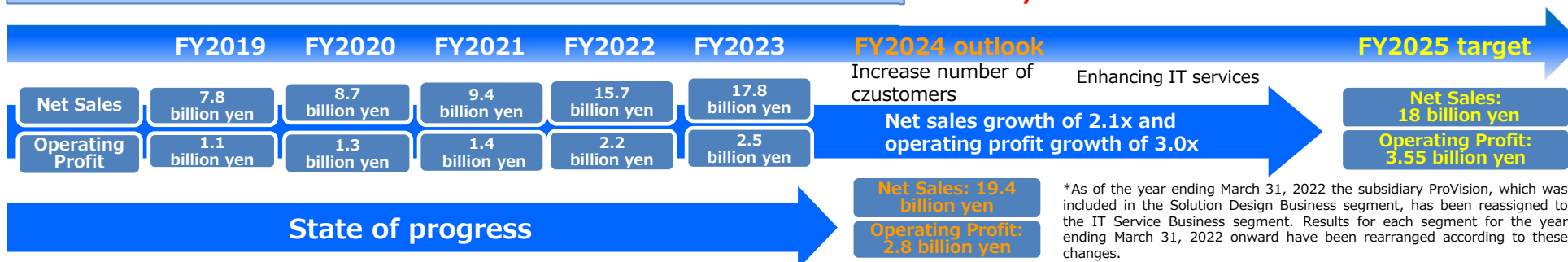
Create and implement new business models with customers, continue to attempt new challenges based on experience and past performance, and become a transformation group that provides services that lead directly to business growth and speedup for companies.

- We will focus on high added-value **contract-type services** such as **IT support, IT infrastructure and PMO**, and **assessment and consulting services**, based on know-how developed through other projects.
- In addition to expanding software quality assurance (QA) services, social games, net business and other BtoBtoC services in the **entertainment segment**, we will also expand the BtoB **enterprise segment**.
- We will also enhance synergies with Systema Group services, locations and human resources.

Expanding business fields



- We aim to increase net sales for contract-type services such as IT support, IT infrastructure and PMO from the current level of 4.5 billion yen to **8.0 billion yen**.
- We aim to increase net sales for quality verification services from the current level of 3.3 billion yen to **6.0 billion yen**.



4. Business Solution Business

Provide solution services aimed at solving management issues faced by customers (such as improving productivity, reducing costs, and bolstering security) using Systema's overall sales capabilities in order to create and expand added-value business, and transform into **an ICT partner that supports customers' business operations**; and link this transformation on to a **continuous improvement in sales and profits**.

Business Strategy

- Bolster response to hybrid environments
- Expand DX business services
- Expand synergies and services from collaboration between Systema Group companies and divisions

Numerical Targets

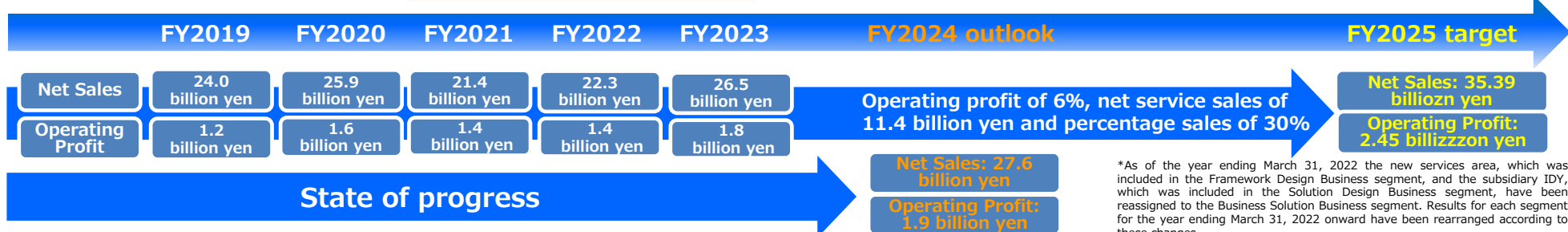
Existing business



Service business



DX business



*As of the year ending March 31, 2022 the new services area, which was included in the Framework Design Business segment, and the subsidiary IDY, which was included in the Solution Design Business segment, have been reassigned to the Business Solution Business segment. Results for each segment for the year ending March 31, 2022 onward have been rearranged according to these changes.

5. Cloud Business

- ✓ We will seek to accelerate subscription model business with Canbus., our DX platform for driving digital transformation.
- ✓ We will aim to achieve growth in high added-value businesses with Cloudstep and Canbus., in order to support the transformation of business processes through telework and other forms of workstyle reform.



Canbus.

A DX platform that enables anyone to create and operate DX apps easily, regardless of their level of IT literacy. It will solve corporate management issues such as DX and workstyle reform.

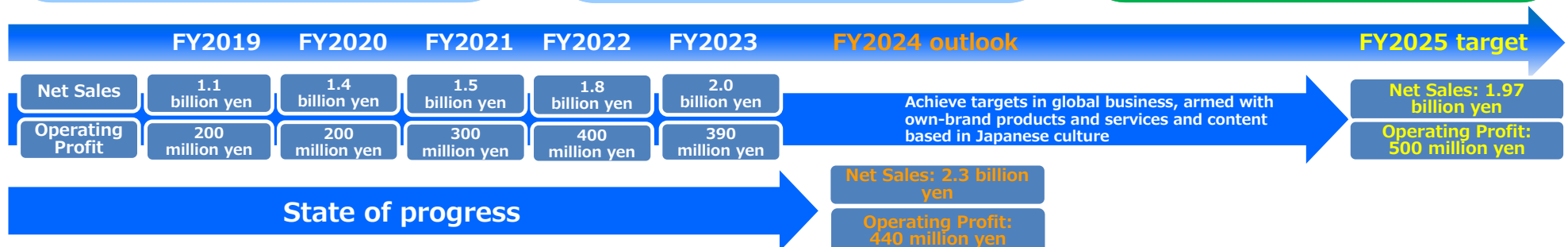


Cloudstep

A piece of groupware that can be used as an addon for Google Workspace and Office365. It facilitates improvements in enterprise productivity and greater workstyle diversity.

New Services

We will create new services from R&D, primarily in areas such as IoT, AI and security.



6. Overseas Business (Systema America Inc.)

- ✓ We will seek to establish a robust business base in terms of sales and profits, through tech support for Japanese-owned companies, PoC development, expansion of the DX service "Canbus.", and BPO support services in the US.
- ✓ We will also enhance business alliances of AI (ONE Tech, Inc.) and security (StrongKey Inc.) aiming to jointly maximize sales and profits.

Business Strategy

- Expanding support for the development and commercialization of PoC among start-ups and Japanese companies in the US.
- Enhancing introduction of the DX service "Canbus." and BPO to Japanese companies in the US.
- Expanding to Canbus IoT based on our platform Canbus

Key fields

PoC development and technical support



Start-ups PoC
Software development/verification

 **Canbus.**

DX

Canbus.IoT



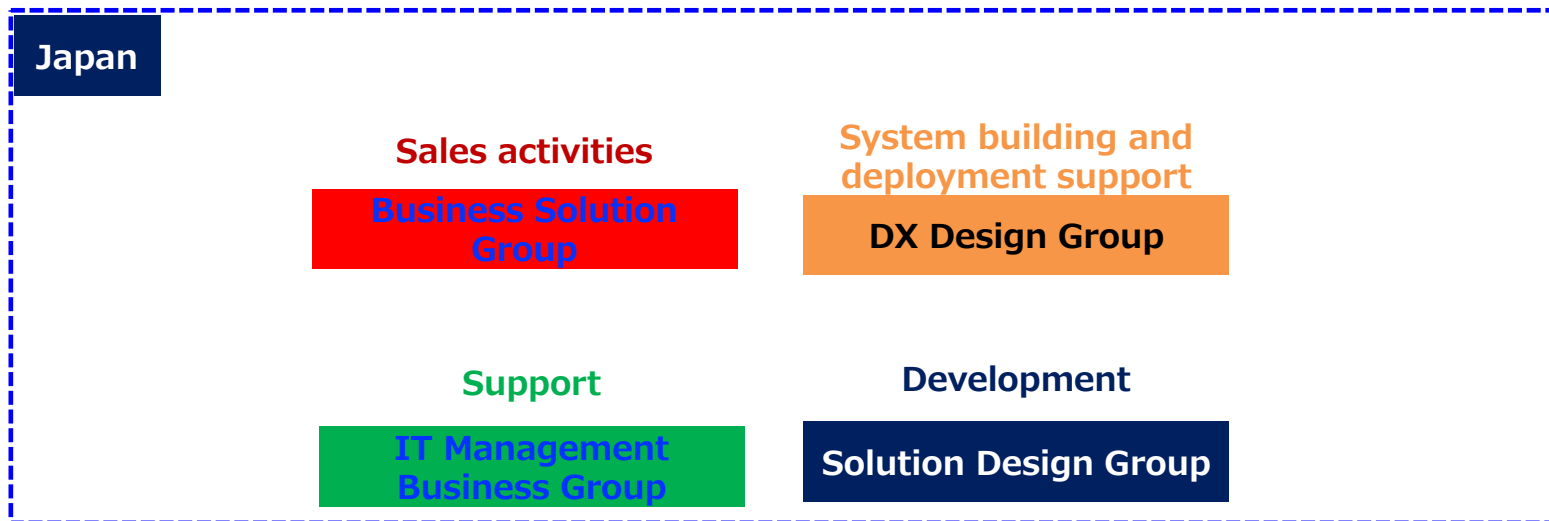
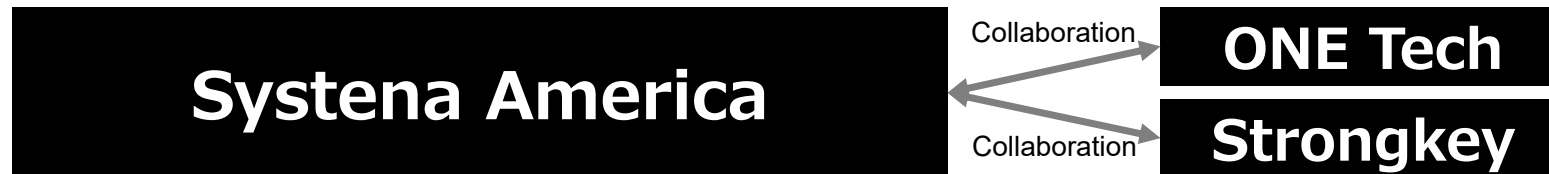
BPO (outsourcing)



-Remote outsourcing services-
Remo-ote



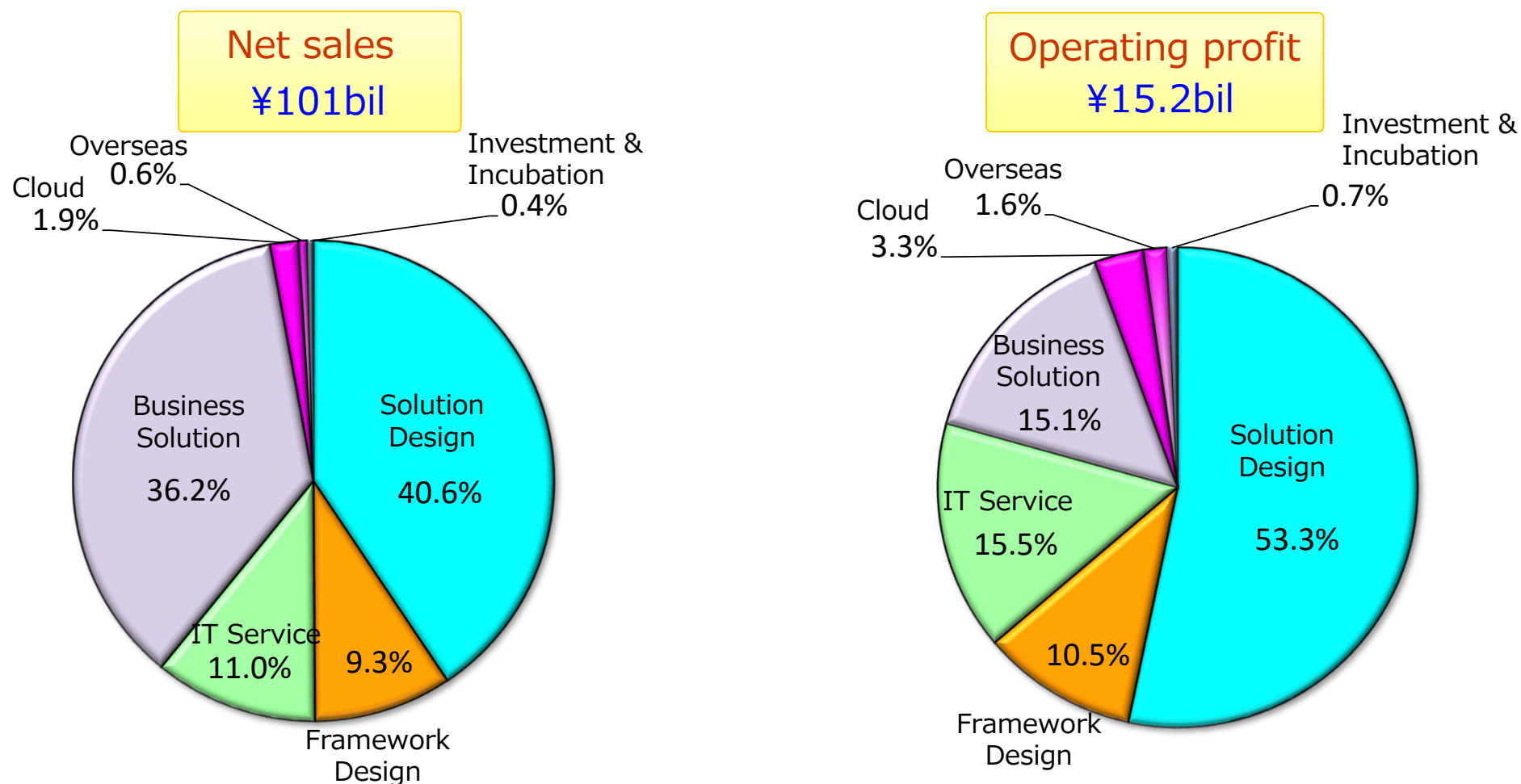
7. Collaboration with Overseas Business



We will aim to consolidate the strengths of each division and deliver these services in Japan with an “All Systema” approach.

Earnings Forecast for Fiscal 2025

Composition of Net Sales and Operating Profit by Segment





ALL Systema

Making digital society a happy society. Systema IT Services



<https://www.systema.co.jp/>

The earnings forecasts described in this document and mentions of future events are predications based on the information available at the time of publication, and may incorporate uncertain factors.
Please note that actual business performance can fluctuate due to various factors including changes in the economic or business environment.