

# Financial Results for the first quarter of 2024/3 and medium-term management plan

July 27, 2023  
Systema Corporation  
Security code: 2317  
(Prime Market of the Tokyo Stock Exchange)

# Company Outline

【Company name】	<b>Systema Corporation</b>	【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 and Chairman Representative Director : Kenji Miura and President Director : 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) : Tshiji Arita Outside Corporate Auditor : Yoshihiro Nakamura, Hiroshi Adagawa, Nobushige Tokuono		
【Number of Employees】	Non-Consolidated:4,380/Consolidated:5,933 (As of July. 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

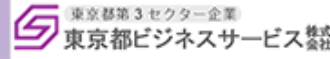


### ProVision Co., Ltd.

【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)



### Tokyo 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】 Tokyo 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)



### 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)

## ● Equity method affiliated companies

# 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)

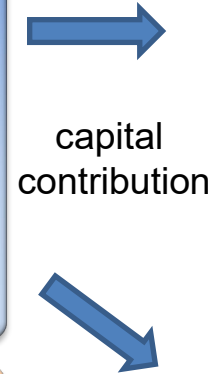


**ONE Tech, Inc.**

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

Development and sale of IoT solution packages

(Overseas Business)



# Financial Results for first quarter of 2024/3 (Consolidated)

<YoY rate>

# Financial Results 1Q (Consolidated)

(in millions of yens)

	1Q 2024/3		1Q 2023/3		YoY rate	
	Amount	Profit ratio	Amount	Profit ratio	Amount of change	rate of change
Net sales	<b>18,734</b>	—	17,627	—	<b>1,106</b>	<b>6.3%</b>
Operating profit	<b>1,909</b>	<b>10.2%</b>	1,821	10.3%	<b>88</b>	<b>4.8%</b>
Ordinary profit	<b>1,781</b>	<b>9.5%</b>	1,879	10.7%	<b>▲98</b>	<b>▲5.2%</b>
Profit attributable to owners of parent	<b>1,220</b>	<b>6.5%</b>	1,285	7.3%	<b>▲64</b>	<b>▲5.0%</b>

## Solution Design Business

<b>Net Sales</b>	<b>5,223</b> million yen	Year-on-year ▲1.9%	<b>Operating Profit</b>	<b>364</b> million yen	Year-on-year ▲47.1%
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- ✓ Demand for the development of **next-generation mobility** solutions was brisk in the in-car sector. We will continue to focus our efforts on increasing orders.
- ✓ There was an unprofitable project in the net business sector, but it is being solved.
- ✓ The number of inquiries about our own services increased in the DX service sector. We will continue to proactively develop our own services.
- ✓ Labor in this business as a whole increased due to strengthened collaboration with business partners and proactive recruitment.

## Framework Design Business

<b>Net Sales</b>	<b>1,619</b> million yen	Year-on-year +13.9%	<b>Operating Profit</b>	<b>351</b> million yen	Year-on-year +47.5%
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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** 4,428 million yen Year-on-year +2.6%

**Operating Profit** 612 million yen Year-on-year +16.4%

- ✓ We clarified our mainstay services by building an organization in each business domain. In this process, we focused on the proposal of **PMO services**. These efforts contributed to **increased sales and profits**.
- ✓ We **strengthened client analysis** to learn about customers' IT investment plans and IT events. We strengthened sales activities targeting sectors where we previously did not have deals to receive orders from **the departments of existing customers we have not had deals with before**.
- ✓ We **focused efforts** on **developing new customers** to acquire loyal clients for the future.

## Business Solution Business

**Net Sales** 7,048 million yen Year-on-year +12.5%

**Operating Profit** 523 million yen Year-on-year +45.8%

- ✓ 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.
- ✓ Shipments of server and network products, whose delivery was delayed due to the semiconductor shortage, have improved. At the same time, sales from service projects also increased.
- ✓ In the system integration business, we received orders for 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.



## Cloud Business

**Net Sales** **422** million yen Year-on-year +7.7%

**Operating Profit** **57** million yen Year-on-year ▲8.4%

- ✓ There has been an increase in the number of inquiries for **Canbus.**, which enables replacement in a short period, reflecting growing demand for the replacement of operation systems due to the recent acceleration 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** **36** million yen Year-on-year +8.5%

**Operating Profit** **▲2** million yen Year-on-year +7 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.
- ✓ Many orders have been received **for projects for the development of PoC**, where Japanese companies verify start-ups' technologies.
- ✓ There has been an increase in the number of inquiries regarding **customized development based on Canbus.** to support DX.
- ✓ 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.
- ✓ A solution from StrongKey Inc. **was newly adopted by a major U.S. company.**

## Sales by Segment

(in millions of yens)

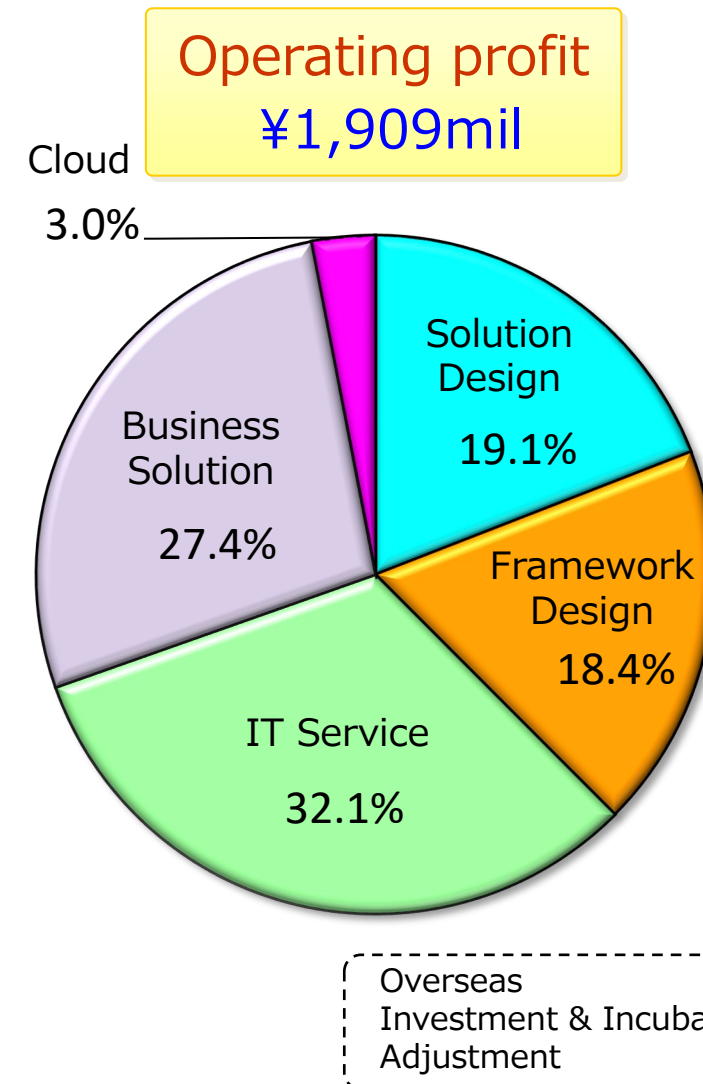
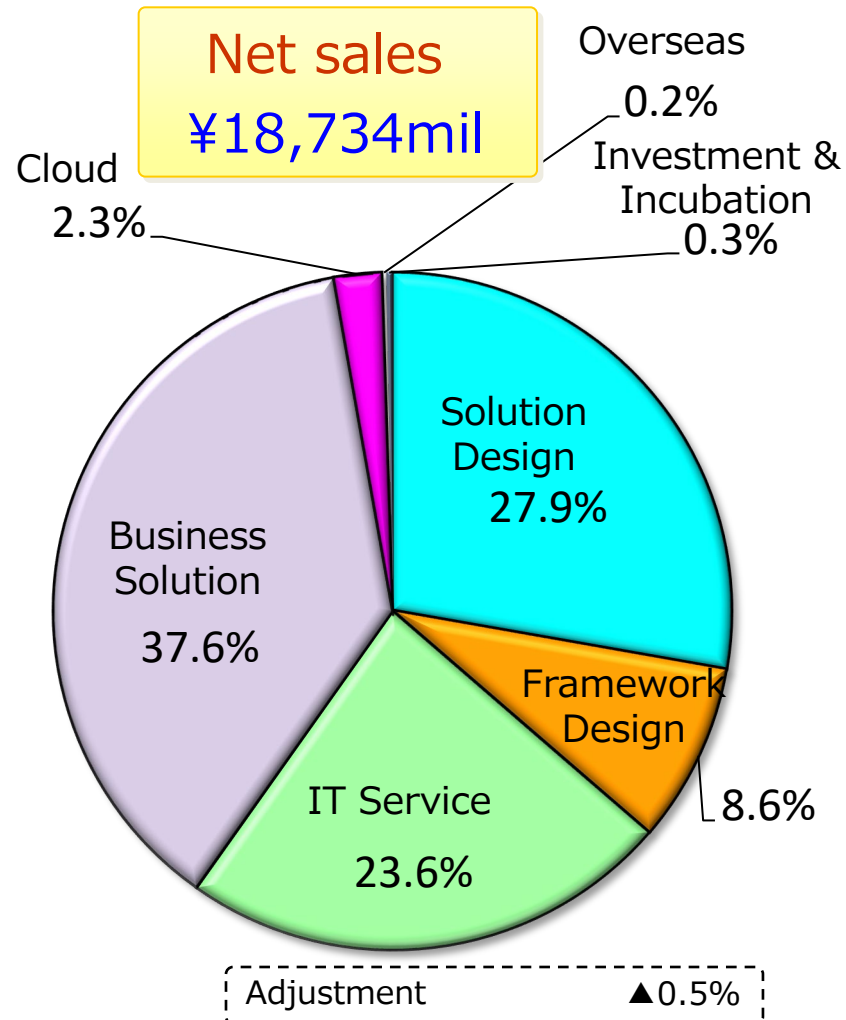
	1Q 2024/3		1Q 2023/3		YoY rate	
	Amount	Sales Distribution ratio	Amount	Sales distribution ratio	Amount of change	rate of change
Solution Design	5,223	27.9%	5,325	30.2%	▲102	▲1.9%
Framework Design	1,619	8.6%	1,422	8.1%	197	13.9%
IT Service	4,428	23.6%	4,316	24.5%	111	2.6%
Business Solution	7,048	37.6%	6,267	35.6%	781	12.5%
Cloud	422	2.3%	392	2.2%	30	7.7%
Overseas	36	0.2%	33	0.2%	2	8.5%
Investment Incubation	48	0.3%	33	0.2%	14	44.9%
Adjustment	▲92	▲0.5%	▲163	▲1.0%	71	—
Total	18,734	100.0%	17,627	100.0%	1,106	6.3%

## Operating profit by Segment

(in millions of yens)

	1Q 2024/3		1Q 2023/3		YoY rate	
	Amount	Profit ratio	Amount	Profit ratio	Amount of change	rate of change
Solution Design	<b>364</b>	<b>7.0%</b>	689	13.0%	<b>▲324</b>	<b>▲47.1%</b>
Framework Design	<b>351</b>	<b>21.7%</b>	238	16.8%	<b>113</b>	<b>47.5%</b>
IT Service	<b>612</b>	<b>13.8%</b>	526	12.2%	<b>86</b>	<b>16.4%</b>
Business Solution	<b>523</b>	<b>7.4%</b>	358	5.7%	<b>164</b>	<b>45.8%</b>
Cloud	<b>57</b>	<b>13.7%</b>	63	16.1%	<b>▲5</b>	<b>▲8.4%</b>
Overseas	<b>▲2</b>	<b>▲7.0%</b>	<b>▲10</b>	<b>▲29.6%</b>	<b>7</b>	—
Investment Incubation	<b>2</b>	<b>4.3%</b>	<b>▲45</b>	<b>▲136.0%</b>	<b>47</b>	—
Adjustment	—	—	—	—	—	—
Total	<b>1,909</b>	<b>10.2%</b>	1,821	10.3%	<b>88</b>	<b>4.8%</b>

## Composition of Net Sales and Operating Profit by Segment



# Earnings Forecast for 2024/3 (Consolidated, Full Year)

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

(in millions of yens)

	2024/3 Earnings Forecasts		2023/3		YoY rate	
	Amount	Profit ratio	Amount	Profit ratio	Amount of change	rate of change
Net sales	<b>80,386</b>	—	74,526	—	<b>5,859</b>	<b>7.9%</b>
Operating profit	<b>10,610</b>	<b>13.2%</b>	9,844	13.2%	<b>765</b>	<b>7.8%</b>
Ordinary profit	<b>10,644</b>	<b>13.4%</b>	9,955	13.4%	<b>688</b>	<b>6.9%</b>
Profit attributable to owners of parent	<b>7,233</b>	<b>9.8%</b>	7,317	9.8%	<b>▲84</b>	<b>▲1.1%</b>

Outlook for this Period

<b>Net Sales 24,500</b>	compared with previous period million yen + 9.5%	<b>Operating Profit 4,020</b>	compared with previous period million yen +2.4%
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**We aim to increase orders by aggressively expanding into high value-added areas and recruiting human resources.**

## 1. Aggressive expansion into growth areas.

- Aggressively develop in-car, social infrastructure, net business, products, digital transformation (DX) services and other highly promising areas.

## 2. Increasing orders received for DX projects.

- Make use of DX Design Lab, a DX promotion support service providing needed support via a framework that is appropriate for each project phase, with the goal of providing added value to customers and increasing orders.

## 3. Aggressive recruitment of human resources.

- With an eye toward long-term growth, we will actively recruit human resources and collaborate with partners, aiming to provide customers with high added value.

Outlook for this Period

<b>Net Sales</b> 6,900	<small>compared to previous period million yen +13.27%</small>	<b>Operating Profit</b> 1,450	<small>compared to previous period million yen +13.3%</small>
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**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.



## Outlook for this Period

**Net Sales 19,413** million yen compared to previous period +9.3%

**Operating Profit 2,800** million yen compared to previous period +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.**

- **Focus on the provision of PMO services** supporting project management related to the introduction of various types of tools, such as cloud solutions, and the improvement of business processes.

### **2. 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.

### **3. Expanding software testing services through 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 games.

## 4. Business Solution Business

### Outlook for this Period

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

**Operating Profit 1,874** million yen compared to previous period +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.

### 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. Providing services pushing forward projects for the promotion of DX.

- Provide DX Design Lab to promote DX measures such as the utilization of ChatGPT in PMO, instead of only providing services like Canbus.

### 3. Enhancing services through advance investment.

- Aggressively implement initiatives to **strengthen** sales and development, and support **human resources** to promote sales.

## 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. Increasing orders for system development and verification services from Japanese manufacturers, with a focus on automotive manufacturers, and applying services for other customers.**
  - Increase orders by enhancing customer satisfaction with automotive system development and verification services 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 involving Japanese companies in Silicon Valley and start-ups, and receive orders from other customers.
- 3. Expanding sales by collaborating with our development team from Japan.**
  - Aggressively promote sales of offshore development in Japan and Vietnam against a background of the cost of labor in the U.S. hovering at a high level and the exchange rate.
- 4. 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.
- 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.

## Sales by Segment

(in millions of yens)

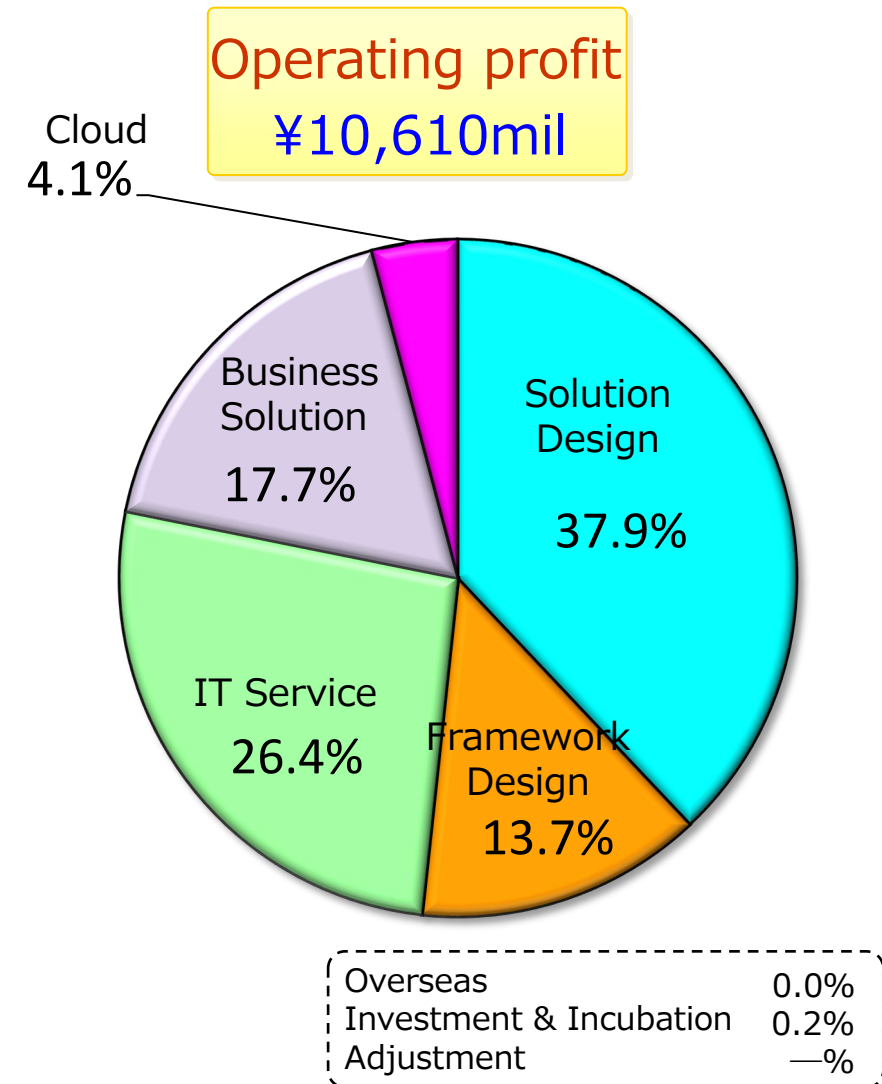
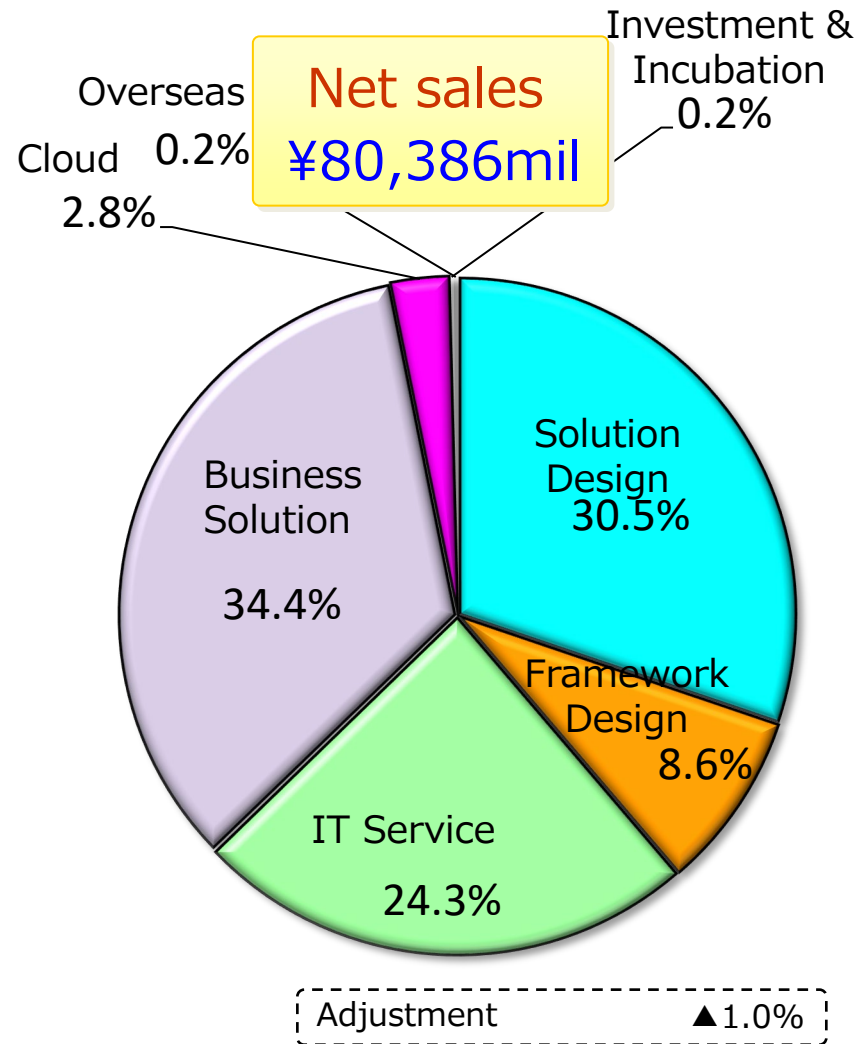
	2024/3 Earnings Forecasts		2023/3		YoY rate	
	Amount	Sales distribution ratio	Amount	Sales distribution ratio	Amount of change	rate of change
Solution Design	24,500	30.5%	22,375	30.0%	2,124	9.5%
Framework Design	6,900	8.6%	6,095	8.2%	804	13.2%
IT Service	19,413	24.2%	17,753	23.8%	1,659	9.3%
Business 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%

## Operating profit by Segment

(in millions of yens)

	2024/3 Earnings Forecasts		2023/3		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%

## Composition of Net Sales and Operating Profit by Segment



# Systema Group Management Objectives and Basic 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.

- 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 (2019/3~ 2025/3)

## 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.

## 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.

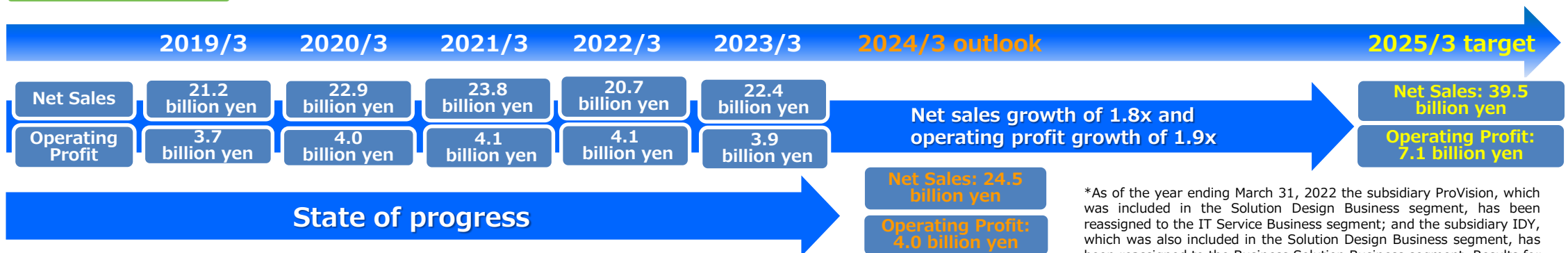
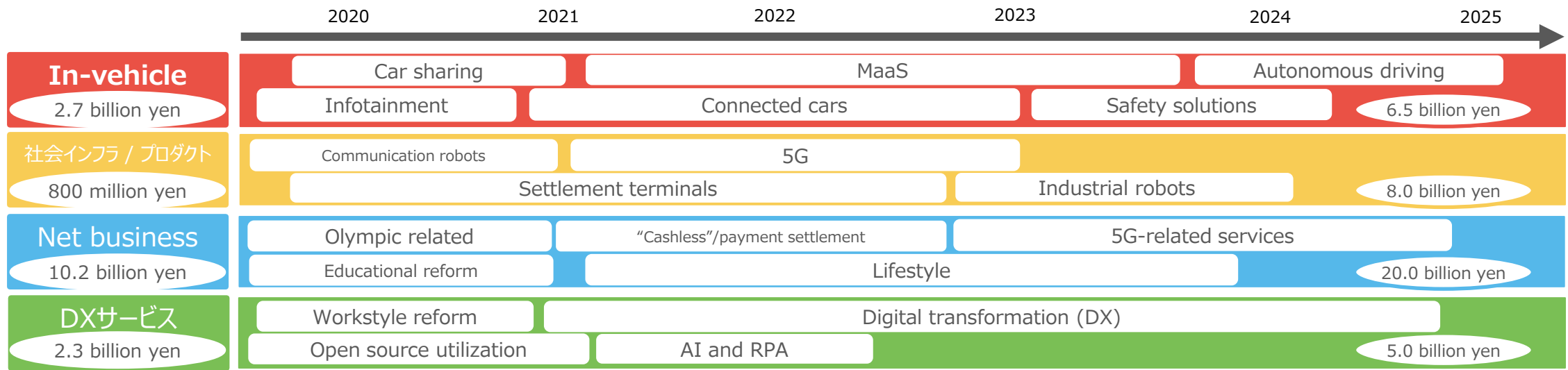
## Targeted Management Indicators and Outlook for 2025/3

(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	<b>101,000</b> (1.7x)
Operating Profit	6,902	8,163	8,006	9,106	9,844	10,610	<b>15,200</b> (2.2x)
Operating profit margin	11.6%	12.6%	13.2%	14.0%	13.2%	13.2%	<b>15.0%</b>
Operating profit per employee	2.13	2.32	1.99	1.98	1.89	1.83	<b>2.60</b> (20% increase)
ROE	24.6%	25.5%	20.6%	21.6%	22.9%	20.1%	<b>25%</b>

# 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.

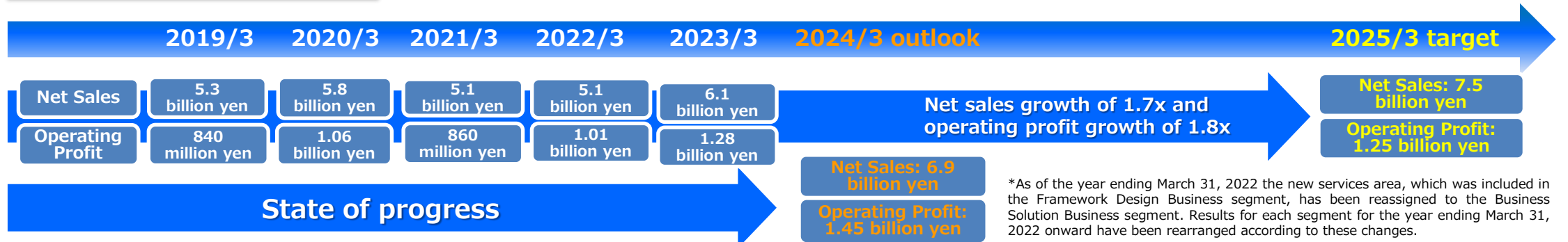
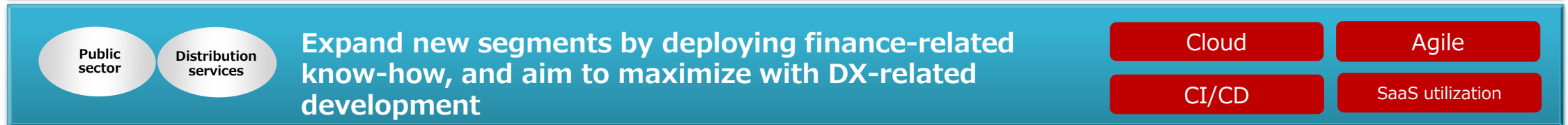
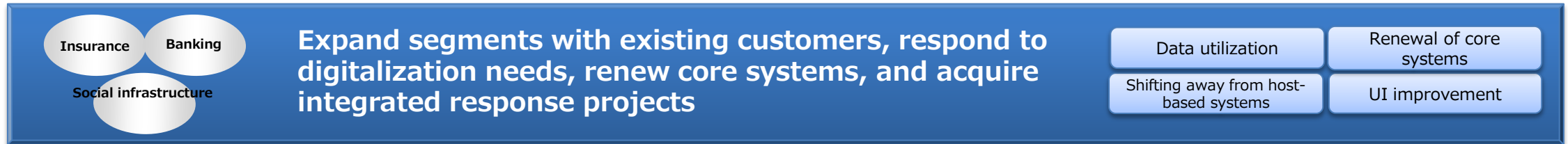


\*As of the year ending March 31, 2022 the subsidiary ProVision, which was included in the Solution Design Business segment, has been reassigned to the IT Service Business segment; and the subsidiary IDY, which was also included in the Solution Design Business segment, has been reassigned to the Business 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

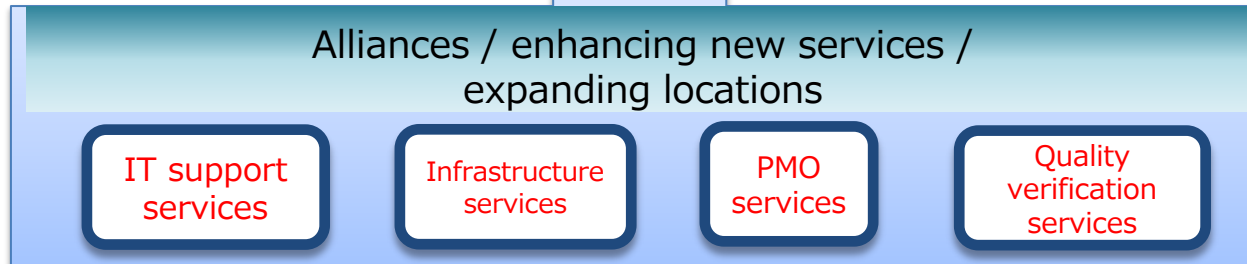


### 3. IT Service Business

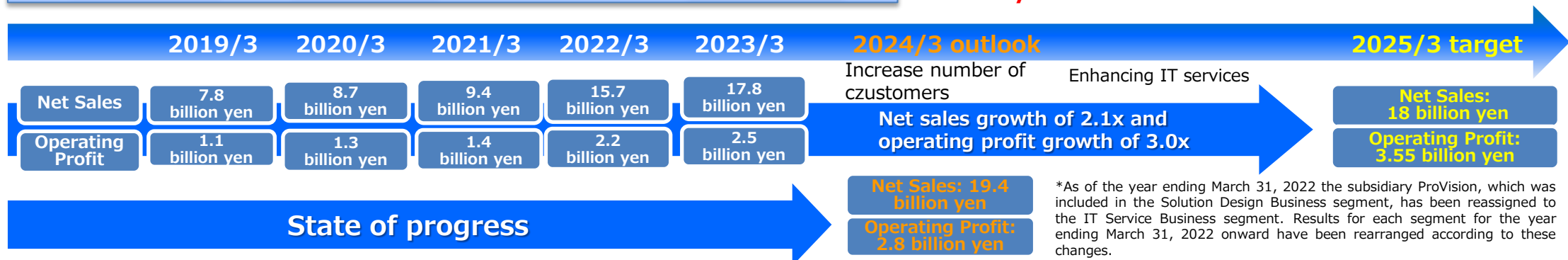
**Create and implement new business models with customers**, continue to attempt new challenges based on experience and past performance, and become a transformation group that provides services that lead directly to business growth and speedup for companies.

- 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**.





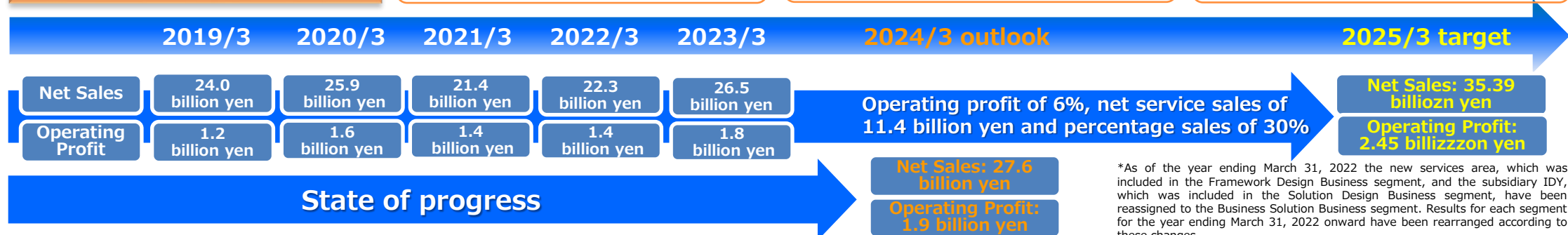
# 4. Business Solution Business

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



\*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.

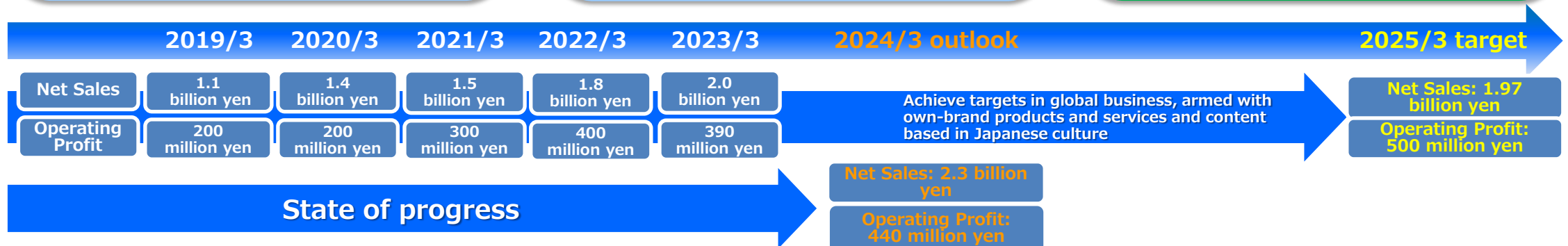


## Cloudstep

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. )

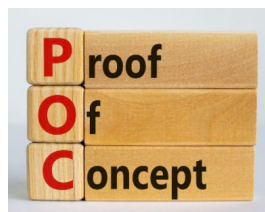
- ✓ We will seek to establish a robust business base in terms of sales and profits, through tech support for Japanese-owned companies, PoC development, expansion of the DX service "Canbus.", and BPO support services in the US.
- ✓ We will also enhance business alliances of AI (ONE Tech, Inc.) and security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

2019/3

2020/3

2021/3

2022/3

2023/3

2024/3 outlook

2025/3 target

Net Sales

120  
million yen

150  
million yen

190  
million yen

170  
million yen

130  
million yen

Operating Profit

-30  
million yen

-20  
million yen

7  
million yen

-9  
million yen

-29  
million yen

Unearth the next new  
technologies and markets

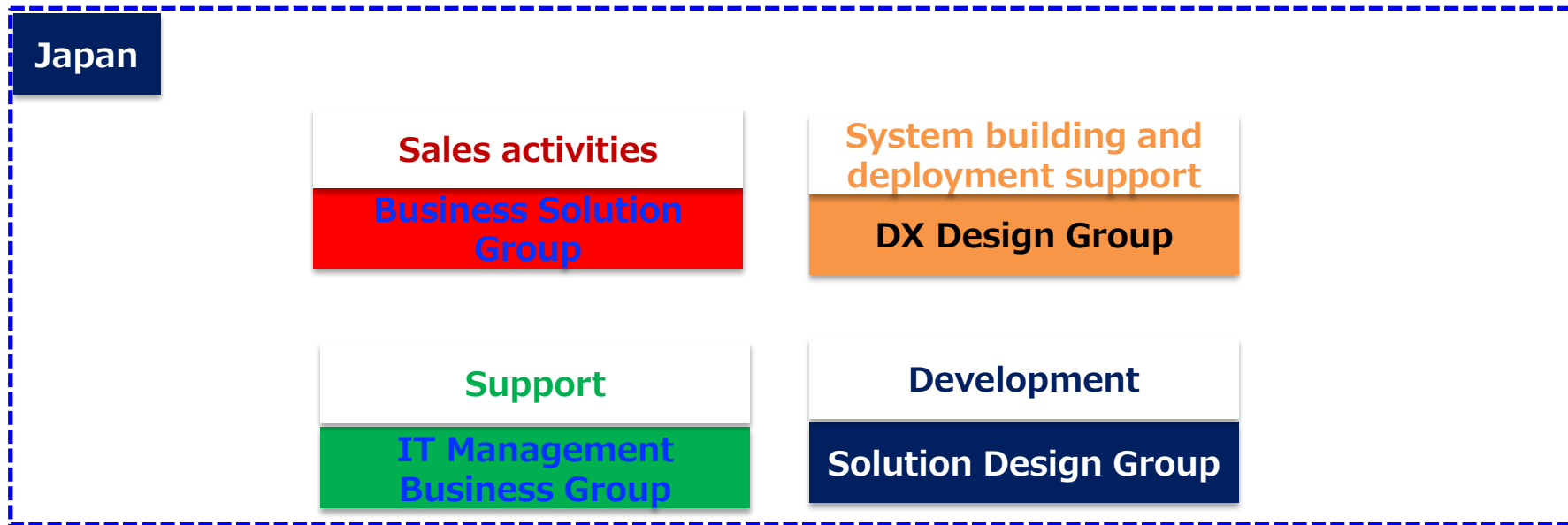
Net Sales: 640  
million yen

Operating Profit:  
250 million yen

Net Sales: 180  
million yen

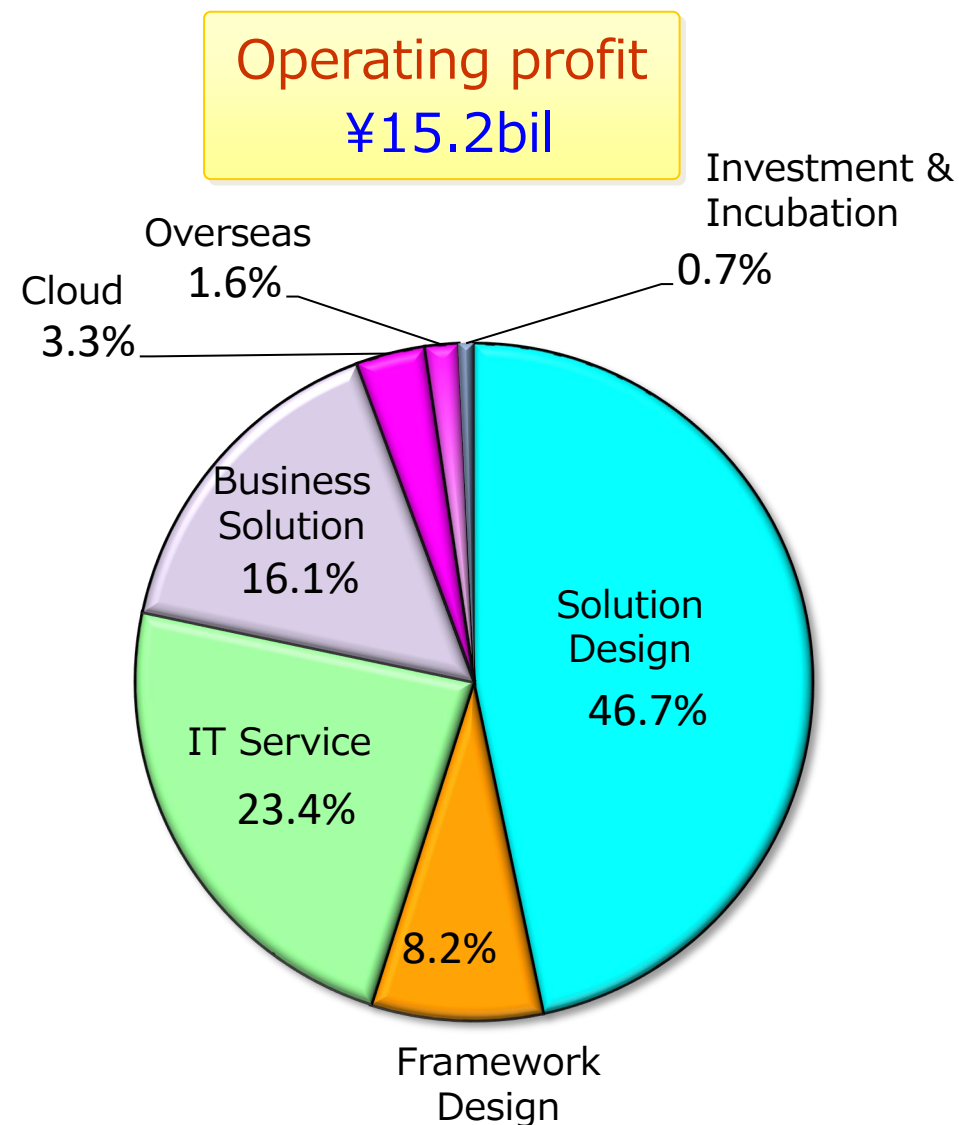
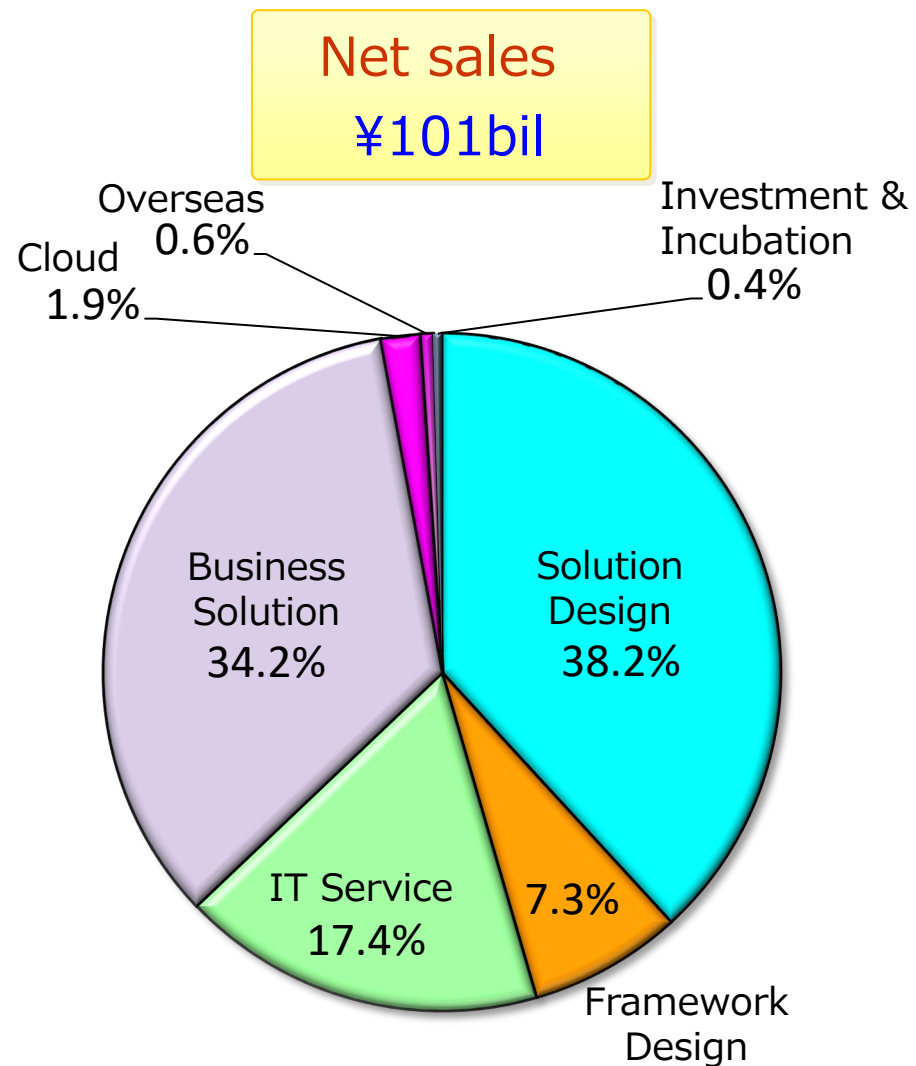
Operating Profit:  
1 million yen

State of progress



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

## 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.