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July 27, 2023

Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

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 Scheduled date to file quarterly securities report: August 8, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	18,734	6.3	1,909	4.8	1,781	(5.2)	1,220	(5.0)
June 30, 2022	17,627	15.0	1,821	3.8	1,879	10.4	1,285	12.3

Note: Comprehensive income For the three months ended June 30, 2023: ¥1,352 million [0.3%]
 For the three months ended June 30, 2022: ¥1,348 million [17.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2023	3.15	–
June 30, 2022	3.32	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
June 30, 2023	46,644	34,446	72.9	87.71
March 31, 2023	48,879	34,650	69.9	88.19

Reference: Equity

As of June 30, 2023: ¥33,981 million
 As of March 31, 2023: ¥34,168 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	4.00	–	4.00	8.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		5.00	–	5.00	10.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	80,386	7.9	10,610	7.8	10,644	6.9	7,233	(1.1)	18.67

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	450,880,000 shares
As of March 31, 2023	450,880,000 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2023	63,439,188 shares
As of March 31, 2023	63,439,188 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	387,440,812 shares
Three months ended June 30, 2022	387,396,212 shares

Note: The Company has introduced a stock compensation plan, and in calculating the number of treasury shares of common shares at the end of the period and the average number of shares outstanding during the period, the number of treasury shares includes shares of the Company held by Japan Custody Bank, Ltd. (the Trust Account) as trust assets for the “Trust for Granting Shares to Directors” and the “Trust for Granting Shares to Executive Officers.” The number of treasury shares held by the Trust Account included in the number of treasury shares at the end of the period ended June 30, 2023 and March 31, 2023 were 1,567,700 shares, and the number of treasury shares held by the Trust Account excluded from the calculation of the average number of shares outstanding during the three months ended June 30, 2023 and three months ended June 30, 2022 is as follows: the average number of treasury shares of common shares held by the Trust Account for the three months ended June 30, 2023 and three months ended June 30, 2022 were 1,567,700 shares and 1,622,086 shares, respectively.

* Quarterly financial results reports are exempt from quarterly review by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For assumptions underlying the forecast and cautions regarding the use of earnings forecasts, please refer to “1. Qualitative information on quarterly financial results, (3) Forward-looking forecasts, such as consolidated earnings forecasts” on page 5 of the Attached Materials.

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1. Qualitative information on quarterly financial results

Matters discussed here that are not historical fact reflect judgments made as of the end of the quarter of the fiscal year under review.

(1) Operating results for the period under review

During the three months ended June 30, 2023 (April 1, 2023 to June 30, 2023), the Japanese economy was on a gradual recovery trend, particularly individual consumption, as economic and social conditions returned to normal following the COVID-19 pandemic. However, central banks in various countries are continuing with monetary tightening to combat global inflation caused by surging resource and raw materials prices, and there is increasing risk of a downturn in the overseas economy.

Given these conditions, the Group recognizes that improving productivity is a key issue in securing earnings amid high inflation. In addition to focusing more on recurring revenue businesses, the Group is continuing to expand businesses with high added value such as consulting operations and PMO projects aimed at promoting DX in the software development business.

Furthermore, we will continue to invest proactively in human resources, improve wages and working conditions, and pursue initiatives for the stable acquisition of excellent human resources.

In the Solution Design Business, the Group continued to focus on expansion in the in-vehicle, Internet business, products, and DX fields, where significant growth is expected. Here, the Group worked to further increase orders and improve profitability.

In the Framework Design Business, the Group deployed its system development expertise from the financial sector to customers in the public and distribution/services sectors, and worked to increase orders in the business application development and infrastructure (cloud) architecture operations.

In the IT Service Business, the Group focused on providing PMO services related to the introduction of various tools and business process improvements in response to IT outsourcing demand from companies creating new business models and companies working on reform of work styles.

In the Business Solution Business, the Group focused on service businesses, not product-oriented businesses, and strove to further strengthen its recurring revenue businesses, centered on the subscription business and system development and support.

In the Cloud Business, which is responsible for promoting the subscription business model, the Group expanded the functionality of its in-house products Canbus^(*) and Cloudstep^(*) and actively offered a “DX Design Lab” that supports DX promotion from project consulting.

As a result of the above, consolidated results for the first quarter of the fiscal year under review were net sales of ¥18,734 million (up 6.3% year on year), operating profit of ¥1,909 million (up 4.8% year on year), ordinary profit of ¥1,781 million (down 5.2% year on year), and profit attributable to owners of parent of ¥1,220 million (down 5.0% year on year).

(*) Canbus. and Cloudstep are Systema’s original services.

The following describes performance by segment. Note that net sales for each segment include inter-segment net sales or transfers.

(i) Solution Design Business

The Solution Design Business is divided into five categories: in-vehicle, social infrastructure, internet business, products, and DX services. In the first quarter, the Group worked to strengthen both cooperation with our business partners and resource procurement. The Group also increased the number of personnel in the overall Solution Design Business through aggressive hiring. While the Group is working to win orders from clients with robust development motivation, development projects concluded for some of our clients, and the focus has been on launching new projects. However, some unprofitable projects impacted financial results, and net sales in the Solution Design Business were ¥5,223 million (down 1.9% year on year), and operating profit was ¥364 million (down 47.1% year on year).

(In-Vehicle)

In the in-vehicle category, the importance of mobility software is increasing in the automobile industry, and there is robust development demand for in-vehicle infotainment and integrated cockpit systems. Using the Group’s technical capabilities in software development acquired in the mobile field, we are strengthening our development system to meet the demand of Japanese finished vehicle manufacturers and Tier-1 suppliers. New project launches are progressing, and going forward we will focus on expanding mobility development orders received for next-generation applications.

(Social Infrastructure)

In the social infrastructure category, which supports the mechanisms of society, including telecommunications infrastructure, payment infrastructure, transportation infrastructure, power grids, and more, and enriches people's lives, the Group used our experiences in embedded systems and web design developed in the in-vehicle and product fields to increase orders received related to power grids and aerospace. While continuing to focus on projects related to power grids and aerospace, the Group will also promote expansion into local governments and the public sector.

(Internet Business)

In fields related to the Internet business category, such as Internet services and e-commerce, large-scale development projects using 5G in the Internet services field concluded, and demand is also settling. Meanwhile, the Group is receiving inquiries from companies looking to strengthen their services further and is focusing on strengthening total solutions that can provide everything from planning, to development and evaluation, to IT consulting and services. Moreover, while there were unprofitable projects in this category, they are nearing conclusion.

(Products)

In the products category, which engages in development, including smartphones, home appliances, and robotics, the Group received numerous inquiries related to the keywords "AI" and "IoT," strengths of the Group. The Group's one-stop support for the entire product lifecycle of not only product development and quality evaluation, but also environment construction and support, has been well received. The Group will continue to expand orders received while diversifying itself from competitors.

(DX Services)

In the DX service field, the Group has received many inquiries for system development with superior flexibility and expandability such as the optimization of work processes and data use and operational streamlining through AI and automation as demand increases for undertaking DX (the concept of improving all aspects of life and business through permeation of information technologies). In addition, the Group will continue to actively promote the development of its in-house services, such as Remo-oTe, which utilizes the Group's business experience and total solution strengths cultivated in various fields, TimeTapps, a cloud attendance management system, and Palette.Link, a groupware that enhances the quality of relationships, as they have been receiving many inquiries.

(ii) Framework Design Business

In this business, the Group harnessed its track record in application development in the financial sector to expand the scope of its offerings to customers in the public sector, distribution/services, and in social infrastructure, leading to an increase in orders for system development projects.

In the financial sector, the Group provides core system development services for customers in the banking industry and life and non-life insurance industries. In addition to long-term development work in areas such as contract management systems and accounts systems, the Group achieved greater orders by increasing inquiries for DX projects such as migration of core systems to the cloud and host migration.

In the public sector, orders were received for new projects, primarily related to central government ministries and agencies, and the respective business areas of system development, infrastructure construction, and operation and maintenance remain firm. In the first quarter, orders received for projects for local governments made progress, and the Group intends to further expand this area as one of the pillars of this business.

In addition, for general corporate clients, the Group is moving forward with proposals for technical support services using low-code development tools and system rebuilding focused on migration. The Group's "laboratory system" for total system support, from proof of concept support in the system planning stages to operations and maintenance after system development, has led to an increase in orders.

As a result, net sales in this business amounted to ¥1,619 million (up 13.9% year on year) and operating profit was ¥351 million (up 47.5% year on year).

(iii) IT Service Business

In this business, which mainly operates a variety of IT-related outsourcing services, including system operation and maintenance, helpdesk and user support services, and PMO, to respond to IT outsourcing demand from companies that are creating new business models and working on work style reform, the Group focused on provision of PMO services to provide project management support for implementing a variety of tools including cloud solutions and improving business processes.

In the software testing services business, the Group worked to increase orders and improve profitability based on its service track record provided in each process, from software testing consulting to debugging, not only for customers who provide consumers with web apps and mobile games but also customers who provide business systems to companies.

In addition, regarding promoting engagement of persons with disabilities, the Group moved forward with placing the right person in the right position to take advantage of their strengths by focusing on building a system and environment that allows them to experience growth. This led to orders for a wide range of service projects, primarily in business process outsourcing (BPO).

As a result, net sales in this business amounted to ¥4,428 million (up 2.6% year on year) and operating profit was ¥612 million (up 16.4% year on year).

(iv) Business Solution Business

For this business, where the Group is primarily engaged in B2B sales of IT-related products and system integration services mainly for foreign-affiliated and medium-sized companies, the outlook is uncertain because of the high prices of resources and commodities. Even so, the number of projects related to the use of DX to increase productivity, reduce costs, and increase competitiveness is gradually trending upward.

Specifically, the Group was able to win a number of orders in the system integration business for various services including lift and shift, which is a type of the method of cloud migration, and server relocations.

Furthermore, the Group is now gradually becoming able to ship the servers and network products whose shipment had been delayed due to semiconductor shortages, and progress has been made in recording sales of services projects.

Furthermore, the Group received many inquiries relating to system development and maintenance and operation projects to digitalize corporations' businesses by making use of RPA and data linkage tools, as well as the security diagnosis and category-specific security services released last period, increasing the number of orders received.

As a result, net sales in this business amounted to ¥7,048 million (up 12.5% year on year) and operating profit was ¥523 million (up 45.8% year on year).

(v) Cloud Business

In this business, where the Group provides cloud solutions and original services to companies and other entities, and which is responsible for promoting the subscription business model, the Group received many inquiries regarding its Canbus. DX platform from companies promoting DX. Moreover, the Group began providing not only Canbus. for system overhauls, but also the "DX Design Lab" that can be used in spot applications from project consulting to management in PMO and BPO in promoting DX. By facilitating total solutions aimed at DX in addition to systematizing in Canbus., the Group received many inquiries.

Going forward, the Group will continue to promote aggressive investment and sales reinforcement in this priority offering area.

In addition, inquiries for the Cloudstep groupware, integrated with Google Workspace and Microsoft 365, have been increasing for rebuilding groupware architecture suited to post-COVID-19 office environments. At the same time, system integration, an area of strength for the Group, differentiates the Group from its competitors and results in orders.

As a result, net sales in this business amounted to ¥422 million (up 7.7% year on year) and operating profit was ¥57 million (down 8.4% year on year).

(vi) Overseas Business

In the U.S.'s Silicon Valley, companies are facing a challenging business environment amid financial instability with large-scale layoffs at tech companies, the collapse of multiple banks, and forecasts for further interest rate hikes. However, the Group's U.S. subsidiary has enjoyed strong orders from Japanese-affiliated firms located in Silicon Valley for proof of concept development and verification services to verify the effectiveness of elemental technologies owned by start-up companies. The Group has also received continued orders for system development and evaluation services from the manufacturing industry starting with automobile manufacturing, and the Overseas Business is strong.

ONE Tech, Inc., a U.S. company the subsidiary has invested in, focused on sales of its proprietary AI MicroAI™.

Regarding StrongKey, Inc., another U.S.-based company the subsidiary has invested in, its security support services based on data encryption and FIDO authentication have been newly adopted by major companies in the U.S., and it has also released the Public Key Infrastructure (PKI) service for secure

internet communications, which is compatible with the new “Matter” communication standard for smart homes. Inquiries from smart home IoT device and other related companies are increasing.

As a result, net sales in this business amounted to ¥36 million (up 8.5% year on year) and the operating loss was ¥2 million (versus operating loss of ¥10 million in the same period of the previous fiscal year).

(vii) Investment & Incubation Business

GaYa Co., Ltd., operates the horse racing game Keiba Densetsu for PCs and smartphones and designs and develops business applications for smartphones and tablets. In game operations in the first quarter, we held our first anniversary events for the smartphone game Keiba Densetsu PRIDE and revised and optimized our operating structure. Moreover, orders received for contracted development from existing customers were firm, and the Group newly participated in game development run by major publishers.

As a result, net sales in this business amounted to ¥48 million (up 44.9% year on year) and the operating profit ¥2 million (versus operating loss of ¥45 million in the same period of the previous fiscal year).

(2) Financial position

(Assets)

Total assets at the end of the first quarter of the fiscal year under review amounted to ¥46,644 million (versus ¥48,879 million at the end of the previous fiscal year), a decrease of ¥2,234 million from the end of the previous fiscal year. Current assets amounted to ¥40,326 million (versus ¥42,275 million at the end of the previous fiscal year), a decrease of ¥1,948 million from the end of the previous fiscal year. This was mainly due to a ¥1,541 million decline in notes and accounts receivable - trade, and contract assets, and a ¥326 million decline in cash and deposits. Non-current assets amounted to ¥6,317 million (versus ¥6,603 million at the end of the previous fiscal year), a decrease of ¥286 million from the end of the previous fiscal year. Property, plant and equipment amounted to ¥1,578 million (versus ¥1,622 million at the end of the previous fiscal year), a decrease of ¥43 million from the end of the previous fiscal year. Intangible assets amounted to ¥305 million (versus ¥317 million at the end of the previous fiscal year), a decrease of ¥12 million from the end of the previous fiscal year. Investments and other assets amounted to ¥4,433 million (versus ¥4,663 million at the end of the previous fiscal year), a decrease of ¥230 million from the end of the previous fiscal year. This was mainly due to a ¥358 million decrease in deferred tax assets and a ¥137 million increase in investment securities.

(Liabilities)

Total liabilities amounted to ¥12,197 million (versus ¥14,228 million at the end of the previous fiscal year), a decline of ¥2,031 million from the end of the previous fiscal year. This was mainly due to a ¥1,187 million decline in income taxes payable, an ¥832 million decline in accounts payable - trade, and a ¥697 million decline in provision for bonuses.

(Net assets)

Net assets amounted to ¥34,446 million (versus ¥34,650 million at the end of the previous fiscal year), a decrease of ¥203 million from the end of the previous fiscal year. This was mainly due to profit attributable to owners of parent of ¥1,220 million and dividends of surplus of ¥1,556 million. As a result, the equity-to-asset ratio increased 3.0 percentage points from the end of the previous fiscal year to 72.9%.

(3) Forward-looking forecasts, such as consolidated earnings forecasts

There have been no changes to the earnings forecasts for the full-fiscal year ending March 31, 2024 released on May 11, 2023.

If there are revisions in the future, notification will be promptly made.

2. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	25,033	24,707
Notes and accounts receivable - trade, and contract assets	14,999	13,458
Merchandise	1,501	1,355
Work in process	-	0
Other	743	807
Allowance for doubtful accounts	(2)	(1)
Total current assets	42,275	40,326
Non-current assets		
Property, plant and equipment		
Buildings, net	743	728
Tools, furniture and fixtures, net	745	718
Land	97	97
Construction in progress	-	1
Other, net	35	32
Total property, plant and equipment	1,622	1,578
Intangible assets		
Software	310	288
Software in progress	4	14
Other	3	3
Total intangible assets	317	305
Investments and other assets		
Investment securities	2,136	2,274
Long-term loans receivable from subsidiaries and associates	538	549
Leasehold and guarantee deposits	1,588	1,578
Deferred tax assets	905	546
Other	33	33
Allowance for doubtful accounts	(538)	(549)
Total investments and other assets	4,663	4,433
Total non-current assets	6,603	6,317
Total assets	48,879	46,644

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	6,096	5,263
Short-term borrowings	1,550	1,550
Accounts payable - other, and accrued expenses	2,459	2,617
Income taxes payable	1,524	336
Provision for bonuses	1,460	763
Provision for loss on orders received	–	38
Other	997	1,477
Total current liabilities	14,088	12,047
Non-current liabilities		
Provision for share-based payments	114	122
Other	26	26
Total non-current liabilities	140	149
Total liabilities	14,228	12,197
Net assets		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus	6,023	6,023
Retained earnings	31,709	31,373
Treasury shares	(5,022)	(5,022)
Total shareholders' equity	34,223	33,887
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(91)	(1)
Foreign currency translation adjustment	36	94
Total accumulated other comprehensive income	(54)	93
Non-controlling interests	481	465
Total net assets	34,650	34,446
Total liabilities and net assets	48,879	46,644

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	17,627	18,734
Cost of sales	13,400	14,397
Gross profit	4,226	4,336
Selling, general and administrative expenses	2,405	2,427
Operating profit	1,821	1,909
Non-operating income		
Interest income	5	8
Dividend income	0	2
Gain on sale of investment securities	14	–
Share of profit of entities accounted for using equity method	13	12
Subsidy income	3	17
Other	23	17
Total non-operating income	61	58
Non-operating expenses		
Interest expenses	1	1
Loss on sale of investment securities	–	183
Other	1	1
Total non-operating expenses	3	187
Ordinary profit	1,879	1,781
Profit before income taxes	1,879	1,781
Income taxes - current	340	258
Income taxes - deferred	262	318
Total income taxes	603	577
Profit	1,276	1,204
Loss attributable to non-controlling interests	(8)	(15)
Profit attributable to owners of parent	1,285	1,220

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,276	1,204
Other comprehensive income		
Valuation difference on available-for-sale securities	0	90
Foreign currency translation adjustment	92	74
Share of other comprehensive income of entities accounted for using equity method	(21)	(17)
Total other comprehensive income	71	148
Comprehensive income	1,348	1,352
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,356	1,368
Comprehensive income attributable to non-controlling interests	(8)	(15)

(3) Notes to the quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on substantial changes in amount of shareholder's equity)

No items to report.

(Segment information, etc.)

Segment information

I Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Information on net sales and profit or loss by reportable segment

(Millions of yen)

	Solution Design Business	Framework Design Business	IT Service Business	Business Solution Business	Cloud Business	Overseas Business	Investment & Incubation Business	Adjustment	Amount on quarterly consolidated statement of income (see Notes)
Net sales									
Net sales to external customers	5,309	1,422	4,202	6,261	392	15	24	–	17,627
Inter-segment net sales and transfers	15	–	114	5	0	18	9	(163)	–
Total	5,325	1,422	4,316	6,267	392	33	33	(163)	17,627
Segment profit (loss)	689	238	526	358	63	(10)	(45)	–	1,821

(Note) Segment profit (loss) is consistent with operating profit in the quarterly consolidated statement of income.

2. Information about impairment loss or goodwill for non-current assets by reporting segment

No items to report.

II Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information on net sales and profit or loss by reportable segment

(Millions of yen)

	Solution Design Business	Framework Design Business	IT Service Business	Business Solution Business	Cloud Business	Overseas Business	Investment & Incubation Business	Adjustment	Amount on quarterly consolidated statement of income (see Notes)
Net sales									
Net sales to external customers	5,215	1,619	4,371	7,044	420	21	42	–	18,734
Inter-segment net sales and transfers	7	–	57	4	2	15	6	(92)	–
Total	5,223	1,619	4,428	7,048	422	36	48	(92)	18,734
Segment profit (loss)	364	351	612	523	57	(2)	2	–	1,909

(Note) Segment profit (loss) is consistent with operating profit in the quarterly consolidated statement of income.

2. Information about impairment loss or goodwill for non-current assets by reporting segment

No items to report.

3. Supplementary information

Production, orders, and sales results

(1) Production results

Production results per business segment for the three months ended June 30, 2023 are as follows.

Business segment	Production (Millions of yen)	Year-on-year change (%)
Solution Design Business	3,744	106.7
Framework Design Business	1,110	109.7
IT Service Business	3,119	99.8
Business Solution Business	368	134.3
Total	8,341	105.3

(Notes) 1. Within the Group, only segments that involve made-to-order activities are shown due to the nature of services.

2. The above amounts are stated at production cost.

(2) Order results

Order results per segment for the three months ended June 30, 2023 are as follows.

Business segment	Order value (Millions of yen)	Year-on-year change (%)	Backlog of orders (Millions of yen)	Year-on-year change (%)
Solution Design Business	4,896	80.7	7,529	90.5
Framework Design Business	1,494	92.1	2,989	112.6
IT Service Business	4,441	104.5	6,596	109.4
Business Solution Business	455	137.4	503	105.7
Total	11,288	92.0	17,618	100.8

(Note) Within the Group, only segments that involve made-to-order activities are shown due to the nature of services.

(3) Sales results

Sales results per business segment for the three months ended June 30, 2023 are as follows.

Business segment	Net sales (Millions of yen)	Year-on-year change (%)
Solution Design Business	5,215	98.2
Framework Design Business	1,619	113.9
IT Service Business	4,371	104.0
Business Solution Business	7,044	112.5
Cloud Business	420	107.1
Overseas Business	21	137.9
Investment & Incubation Business	42	174.3
Total	18,734	106.3

(Note) Inter-segment transactions are offset and eliminated.