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## Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 01, 2022

Company name: NIPPON SYSTEMWARE CO., LTD.

Stock exchange listing: Tokyo

Code number: 9739

URL: <https://www.nsw.co.jp/>

Representative: Shoji Tada

President (Representative Director)

Contact: Yuzuru Suka

Senior Executive Corporate Officer and Member of the Board

Phone: 03-3770-1111

Scheduled date of filing quarterly securities report: August 12, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 30, 2022)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	9,368	5.7	719	1.5	737	3.3	484	(0.6)
June 30, 2021	8,864	15.4	708	31.5	713	32.2	487	18.4

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 491 million [ (0.3)%]  
Three months ended June 30, 2021: ¥ 492 million [ 19.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	32.54	-
June 30, 2021	32.75	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2022	35,268	26,560	75.3
March 31, 2022	36,813	26,516	72.0

(Reference) Equity: As of June 30, 2022: ¥ 26,560 million  
As of March 31, 2022: ¥ 26,516 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	20.00	-	30.00	50.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		25.00	-	25.00	50.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	21,000	2.2	2,180	0.8	2,200	0.6	1,500	0.5	100.67
Full year	45,000	3.6	5,000	1.6	5,040	0.3	3,450	(0.6)	231.55

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2022: 14,900,000 shares

March 31, 2022: 14,900,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2022: 537 shares

March 31, 2022: 537 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 14,899,463 shares

Three months ended June 30, 2021: 14,899,553 shares

※This Consolidated Financial Report is not subject to audit procedures by certified public accountants or auditing firm.

※The consolidated financial results forecasts are based on information currently available to The Company and on certain assumption deemed to be reasonable. As a result of various factor that may arise in the future, actual results may differ from the Company's forecast.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	15,176	15,277
Notes receivable - trade	15	27
Accounts receivable - trade	10,764	7,667
Electronically recorded monetary claims - operating	143	165
Merchandise	339	484
Work in process	1,183	2,087
Supplies	2	1
Other	298	829
Total current assets	27,924	26,541
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,886	1,834
Tools, furniture and fixtures, net	294	284
Land	3,861	3,861
Other, net	16	15
Total property, plant and equipment	6,058	5,995
Intangible assets		
Software	64	56
Goodwill	178	170
Other	20	41
Total intangible assets	263	268
Investments and other assets		
Investment securities	59	57
Deferred tax assets	1,350	1,105
Other	1,169	1,312
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	2,567	2,462
Total non-current assets	8,888	8,727
Total assets	36,813	35,268

(Million yen)

	As of March 31,2022	As of June 30,2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,942	2,764
Income taxes payable	1,312	67
Accrued consumption taxes	572	399
Provision for bonuses	1,353	485
Provision for loss on construction contracts	3	27
Other	1,426	2,236
Total current liabilities	7,613	5,980
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,540	2,580
Other	141	145
Total non-current liabilities	2,683	2,727
Total liabilities	10,296	8,707
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	20,904	20,942
Treasury shares	(0)	(0)
Total shareholders' equity	26,489	26,527
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30	28
Foreign currency translation adjustment	24	31
Remeasurements of defined benefit plans	(27)	(26)
Total accumulated other comprehensive income	27	33
Total net assets	26,516	26,560
Total liabilities and net assets	36,813	35,268

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	8,864	9,368
Cost of sales	7,287	7,723
Gross profit	1,576	1,645
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	35	37
Corporate officer' compensations	47	50
Salaries and bonuses	380	399
Retirement benefit expenses	16	17
Welfare expenses	74	75
Communication and transportation expenses	27	33
Outsourcing expenses	64	72
Rent expenses	38	32
Other	182	206
Total selling, general and administrative expenses	868	925
Operating profit	708	719
Non-operating income		
Purchase discounts	2	4
Foreign exchange gains	-	8
Other	5	5
Total non-operating income	7	18
Non-operating expenses		
Loss on sale of receivables	0	0
Foreign exchange losses	2	-
Other	0	-
Total non-operating expenses	2	0
Ordinary profit	713	737
Extraordinary income		
Gain on sale of non-current assets	1	-
Total extraordinary income	1	-
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	715	737
Income taxes - current	4	7
Income taxes - deferred	223	245
Total income taxes	227	252
Profit	487	484
Profit attributable to owners of parent	487	484

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	487	484
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(1)
Foreign currency translation adjustment	5	7
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	4	6
Comprehensive income	492	491
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	492	491

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	715	737
Depreciation	124	107
Amortization of goodwill	-	7
Increase (decrease) in provision for bonuses	(669)	(868)
Increase (decrease) in provision for loss on construction contracts	25	23
Increase (decrease) in retirement benefit liability	24	39
Loss on retirement of non-current assets	-	0
Decrease (increase) in trade receivables	2,222	3,063
Decrease (increase) in inventories	(1,107)	(1,048)
Increase (decrease) in trade payables	(15)	(178)
Increase (decrease) in advances received	203	96
Increase (decrease) in accrued consumption taxes	(84)	(172)
Other, net	(79)	(3)
Subtotal	1,360	1,803
Interest and dividends received	0	0
Income taxes paid	(592)	(1,157)
Net cash provided by (used in) operating activities	768	646
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(36)	(27)
Purchase of intangible assets	(1)	(16)
Payments of leasehold and guarantee deposits	(3)	(59)
Other, net	(0)	(13)
Net cash provided by (used in) investing activities	(42)	(117)
<b>Cash flows from financing activities</b>		
Dividends paid	(289)	(436)
Other, net	(0)	-
Net cash provided by (used in) financing activities	(289)	(436)
Effect of exchange rate change on cash and cash equivalents	5	7
Net increase (decrease) in cash and cash equivalents	442	101
Cash and cash equivalents at beginning of period	12,383	15,176
Cash and cash equivalents at end of period	12,826	15,277