



## 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

Contact: Yuzuru Suka

Phone: 03-3770-1111

President (Representative Director)

Senior Executive Corporate Officer and Member of the Board

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 |       |
|--------------------|-------------|------|------------------|------|-----------------|------|---|-------|
| Three months ended | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen                             | %     |
| 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 |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen                      | Yen                        |
| June 30, 2022      | 32.54                    | -                          |
| June 30, 2021      | 32.75                    | -                          |

#### (2) Consolidated Financial Position

|                | Total assets | Net assets  | Capital adequacy ratio |
|----------------|--------------|-------------|------------------------|
| As of          | Million yen  | Million yen | %                      |
| 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<br>quarter-end | 2nd<br>quarter-end | 3rd<br>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<br>(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             |

|  | 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              |
| <b>Total current liabilities</b>                                     | <b>7,613</b>        | <b>5,980</b>       |
| Non-current liabilities  |                     |                    |
| Provision for retirement benefits for directors (and other officers) | 2                   | 2                  |
| Retirement benefit liability   | 2,540               | 2,580              |
| Other  | 141                 | 145                |
| <b>Total non-current liabilities</b>                                 | <b>2,683</b>        | <b>2,727</b>       |
| <b>Total liabilities</b>   | <b>10,296</b>       | <b>8,707</b>       |
| <b>Net assets</b>  |                     |                    |
| Shareholders' equity   |                     |                    |
| Share capital  | 5,500               | 5,500              |
| Capital surplus  | 86                  | 86                 |
| Retained earnings  | 20,904              | 20,942             |
| Treasury shares  | (0)                 | (0)                |
| <b>Total shareholders' equity</b>                                    | <b>26,489</b>       | <b>26,527</b>      |
| 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)               |
| <b>Total accumulated other comprehensive income</b>                  | <b>27</b>           | <b>33</b>          |
| <b>Total net assets</b>  | <b>26,516</b>       | <b>26,560</b>      |
| <b>Total liabilities and net assets</b>                              | <b>36,813</b>       | <b>35,268</b>      |

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

(Million yen)

|  | For the three months<br>ended June 30,2021 | For the three months<br>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<br>ended June 30,2021 | For the three months<br>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<br>ended June 30,2021 | For the three months<br>ended June 30,2022 |
|---|--|--|
| Cash flows from operating activities                                |  |  |
| 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  |
| Cash flows from investing activities                                |  |  |
| 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)                                      |
| Cash flows from financing activities                                |  |  |
| 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                                     |