

Year ended December 31, 2023 Consolidated Financial Results for the First Quarter [Japanese GAAP]

May 15, 2023

Company name: Nomura System Corporation Listed stock exchanges Tokyo

Stock code 3940 URL <https://www.nomura-system.co.jp>

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Scheduled date to file Quarterly Securities Report May 15, 2023 Scheduled date of commencement of dividend payment _

Supplementary materials for quarterly financial results : Yes

Quarterly results briefing : None

(Amounts are rounded to the nearest million yen)

1st Quarter Ending December, 1.2023 (January 1, 2023 to March 31, 2023)

(1) Operating Results (Cumulative)

(Percentages represent changes from the same quarter of the previous year.)

	Net sales		Operating income		Ordinary income		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter of Fiscal 2023	691	5.5	111	11.8	110	1.2	94	26.5
Q1 FY12/2022	655	3.6	99	4.2	108	4.5	75	3.4

	Per share Net profit	Fully diluted Per share Net profit
	Yen	Yen
First Quarter of Fiscal 2023	2.05	2.04
Q1 FY12/2022	1.62	1.61

(NOTE) We conducted a 2-for-1 stock split on July 1, 2022. Net income per share and diluted net income per share are calculated based on the assumption that the stock split was executed at the beginning of the fiscal year ended December 2022.

(2) Financial Position

	Total assets	Net assets	Equity Ratio
	Millions of yen	Millions of yen	%
First Quarter of Fiscal 2023	3,032	2,726	89.9
FY 2022/12	3,143	2,836	90.2

(Reference) Shareholders' equity First Quarter of Fiscal 2023 2,726Millions of yen FY 2022/12 2,836 Millions of yen

2.Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of the third quarter	Term end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2022/12	—	0.00	—	3.25	3.25
Year ended December 31, 2023	—				
FY 2023 (Forecast)		0.00	—	3.25	3.25

(NOTE Revisions to the dividend forecasts most recently announced : None)

Forecasts for the Fiscal Year Ending December 3.2023 (January 1, 2023 to December 31, 2023)

(Percentages represent year-on-year changes for the full fiscal year and year-on-year changes for the quarter.)

	Net sales		Operating income		Ordinary income		Net income		Per share Net income
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	1,297	(0.7)	88	(44.0)	88	(47.2)	60	47.8	1.30
Full year	2,750	2.0	275	(21.9)	275	(25.9)	187	(26.7)	4.04

(NOTE Revisions to the most recently announced earnings forecasts : None

※ Notes

(1)Application of special accounting methods for preparing quarterly financial statements : None

(2)Changes in accounting policies and changes or restatement of accounting estimates

1 Changes in accounting policies caused by revision of accounting standards : None

2 Changes in accounting policies other than (i) : None

3 Changes in accounting estimates : None

4 Restatement of revisions : None

(3)Number of shares outstanding (common shares)

1 Number of shares outstanding at the end of the period (including treasury stock)	1Q for the Year Ended December 31, 2023	46,444,800 Shares	FY 2022/12	46,444,800 Shares
2 Number of treasury stock at the end of the period	1Q for the Year Ended December 31, 2023	542,284 Shares	FY 2022/12	39,484 Shares
3 Average number of shares outstanding (quarterly consolidated cumulative period)	1Q for the Year Ended December 31, 2023	46,155,285 Shares	1Q for the Year Ended December 31, 2022	46,279,651 Shares

(NOTE) We conducted a 2-for-1 stock split on July 1, 2022. The number of outstanding shares (common shares) is calculated assuming that the stock split occurred at the beginning of the fiscal year ended December 2022.

※ Quarterly financial results are not subject to quarterly review by a certified public accountant or auditing firm.

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute guarantees by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors. Although results for the current fiscal year are steady compared to the earnings forecast, the domestic economic environment and other factors remain uncertain, so we will once again disclose the full-year earnings forecast.

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2. Quarterly Financial Statements and Major Notes

(1) Quarterly Balance Sheets

(Thousands of yen)

	Prior taxable year As of December 31, 2022	Current first quarter (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	2,068,810	2,347,027
Accounts receivable and contract assets	454,257	508,490
Work in process	2,704	1,054
Others	21,340	26,833
Total current assets	2,547,111	2,883,404
Fixed assets		
Property, plant and equipment	55,754	54,023
Intangible assets	218	218
Investments and other assets	540,153	94,806
Total noncurrent assets	596,125	149,048
Total assets	3,143,237	3,032,452
Liabilities		
Current liabilities		
Accounts payable	159,130	140,460
Income taxes payable	53,010	30,206
Others	78,511	119,492
Total current liabilities	290,651	290,158
Long-term liabilities		
Asset retirement obligations	16,504	16,509
Total noncurrent liabilities	16,504	16,509
Total liabilities	307,155	306,666
Net assets		
Shareholders' equity		
Common stock	323,871	323,871
Capital surplus	280,371	280,402
Retained earnings	2,242,861	2,186,480
Treasury stock	(5,646)	(65,039)
Total shareholders' equity	2,841,457	2,725,715
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(5,446)	-
Total valuation and translation adjustments	(5,446)	-
Stock acquisition right	71	71
Total net assets	2,836,082	2,725,785
Total liabilities and net assets	3,143,237	3,032,452

(2)Quarterly Statements of Income

First quarter cumulative period

(Thousands of yen)

	First quarter of the previous fiscal year (January 1, 2022 To March 31, 2022)	First quarter of the current fiscal year (January 1, 2023 To March 31, 2023)
Net sales	655,258	691,234
Cost of sales	483,687	506,068
Gross profit	171,571	185,166
Selling, general and administrative expenses	72,508	74,414
Operating income	99,063	110,753
Non-operating income		
Interest income	9	10
Dividends income	9,112	-
Others	95	-
Total non-operating income	9,217	10
Non-operating expenses		
Loss on valuation of investment securities	-	805
Others	-	354
Total non-operating expenses	-	1,159
Ordinary income	108,279	109,603
Extraordinary income		
Gain on sales of investment securities	-	27,688
Total extraordinary income	-	27,688
Quarterly income before income taxes	108,279	137,291
Income taxes	27,206	26,336
Income taxes-deferred	6,391	16,518
Total income taxes	33,597	42,854
Net profit	74,682	94,437

(3)Notes to Quarterly Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.