



Year ended December 31, Consolidated Financial Results for the Second 2022 Quarter [Japanese GAAP] (Non-consolidated)

August 15, 2022

Company name Nomura System Corporation Listed stock Tokyo
exchanges
Stock code 3940 URL <https://www.nomura-system.co.jp>
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Administration Dept.
Scheduled date to file Quarterly Securities Report August 15, 2022 Scheduled date of commencement of dividend—payment
Preparation of supplementary material on: Yes
quarterly financial results
Quarterly results briefing : Yes (For institutional investors and securities analysts)

(Figures are rounded to the nearest million yen)

Financial Results for the Second Quarter of the Fiscal Year Ending December 1, 2022 (January 1, 2022 to June 30, 2022)

(1) Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter of Fiscal 2022	1,306	0.4	158	△18.5	167	△17.5	115	△18.1
Second Quarter of Fiscal 2021	1,301	△1.4	194	△12.5	202	△12.0	141	△11.2
	Per share Net profit		Fully diluted Per share Net profit					
	Yen		Yen					
Second Quarter of Fiscal 2022	2.50		2.48					
Second Quarter of Fiscal 2021	3.06		3.04					

(NOTE) We conducted a 2-for-1 stock split on July 1, 2022. Quarterly net income per share and diluted quarterly net income per share are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended December 2021.

(2) Financial Position

	Total assets	Net assets	Equity Ratio
	Millions of yen	Millions of yen	%
Second Quarter of Fiscal 2022	2,898	2,645	91.3
Year ended December 31, 2021	2,960	2,647	89.4

(Reference) Shareholder's equity Second Quarter of Fiscal 2022 2,645 Millions of yen Year ended December 31, 2021 2,647 Millions of yen

2.Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of the third quarter	Term end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2021	-	0.00	-	6.50	6.50
Year ended December 31, 2022	-	0.00			
FY2022 (Forecast)			-	3.25	3.25

(NO Revisions to the most recently announced dividend forecasts : None
TE)

We conducted a 2-for-1 stock split on July 1, 2022. For the year ended December 31, 2021, the amount of actual dividends before the stock split is presented.

Forecast for FY12/12, 3.2022 (January 1, 2022-December 31, 2022)

(Percentages indicate year-on-year changes.)

	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
Full year	2,701	△3.2	162	△65.9	162	△67.1	111	△68.3	2.40

(NOTRevisions to the consolidated forecasts most recently : None
E) announced

We conducted a 2-for-1 stock split on July 1, 2022. Net income per share is calculated assuming that the stock split was implemented at the beginning of the fiscal year ended December 2022.

※ Notes

(1)Adoption of Special Accounting Methods for Preparation of 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 : Yes

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

3 Changes in accounting estimates : None

4 Restatement of revisions : None

(3)Number of shares of common stock outstanding

1 Number of shares issued at the end of the period (including treasury stock)	2Q for FY2022	46,404,000 ^{Sha} _{res}	Year ended December 31, 2021	46,380,000 ^{Sha} _{res}
2 Number of treasury stock at the end of the period	2Q for FY2022	39,084 ^{Sha} _{res}	Year ended December 31, 2021	219,484 ^{Sha} _{res}
3 Average number of shares during the period (quarterly consolidated cumulative period)	2Q for FY2022	46,186,438 ^{Sha} _{res}	2Q for FY2021	46,029,596 ^{Sha} _{res}

(NOTE) We conducted a 2-for-1 stock split on July 1, 2022. The number of issued shares (common shares) is calculated based on the assumption that the stock split was executed at the beginning of the fiscal year ended December 2021.

※ Quarterly financial results are not subject to quarterly review by certified public accountants or auditing firms.

※ 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 us and certain assumptions that we believe to be reasonable, and are not intended to guarantee the achievement of the forecasts. Actual results may differ materially from the forecast depending on a range of factors.

(Method of Obtaining Supplementary Briefing Materials on Quarterly Financial Results)

We plan to hold a briefing for institutional investors on Tuesday, August 23, 2022. Materials distributed at this briefing will be posted on our website promptly after the briefing.

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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, 2021)	Current Second Quarter Accounting Period (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	1,848,030	1,906,607
Accounts receivable	649,783	-
Accounts receivable and contract assets	-	447,415
Work in process	7,173	8,857
Others	14,530	20,201
Total current assets	2,519,516	2,383,080
Fixed assets		
Property, plant and equipment	9,477	11,031
Intangible assets	218	218
Investments and other assets		
Investment securities	334,077	352,301
Others	97,059	150,870
Total investments and other assets	431,135	503,170
Total noncurrent assets	440,831	514,420
Total assets	2,960,346	2,897,500
Liabilities		
Current liabilities		
Accounts payable	129,288	133,515
Income taxes payable	96,284	56,616
Others	84,333	61,516
Total current liabilities	309,904	251,647
Long-term liabilities		
Asset retirement obligations	3,590	801
Total noncurrent liabilities	3,590	801
Total liabilities	313,494	252,448
Net assets		
Shareholders' equity		
Paid-in Capital	322,841	323,219
Capital surplus	281,980	275,691
Retained earnings	2,141,192	2,106,576
Treasury stock	△31,671	△5,590
Total shareholders' equity	2,714,341	2,699,896
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	△67,559	△54,915
Total valuation and translation adjustments	△67,559	△54,915
Stock acquisition right	71	71
Total net assets	2,646,853	2,645,052
Total liabilities and net assets	2,960,346	2,897,500

(2)Quarterly Statements of Income

Second Quarter Cumulative Period

(Thousands of yen)

	Previous 2nd Quarter Cumulative Period (1 January 2021 To June 30, 2021)	Current Second Quarter Cumulative Period (On January 1, 2022 From June 30, 2022)
Net sales	1,300,713	1,305,678
Cost of sales	973,826	999,333
Gross profit	326,887	306,345
Selling, general and administrative expenses	133,246	148,624
Operating income	193,640	157,722
Non-operating income		
Interest income	9	9
Dividends income	8,543	9,112
Others	187	206
Total non-operating income	8,739	9,327
Ordinary income	202,379	167,049
Extraordinary gains		
Gain on sales of noncurrent assets	1,196	-
Total extraordinary income	1,196	-
Quarterly income before income taxes	203,575	167,049
Income taxes	61,942	50,842
Income taxes-deferred	660	802
Total income taxes	62,602	51,643
Net profit	140,973	115,406

(3)Quarterly Cash Flow Statement

	(Thousands of yen)	
	Previous 2nd Quarter Cumulative Period (1 January 2021 To June 30, 2021)	Current Second Quarter Cumulative Period (On January 1, 2022 From June 30, 2022)
Net cash provided by (used in) operating activities		
Quarterly income before income taxes	203,575	167,049
Depreciation and amortization	2,503	3,295
Loss (gain) on sales of property, plant and equipment (□: gain)	△ 1,196	-
Charges for stock compensation	-	3,015
Dividends income	△ 8,543	△ 9,112
Decrease (□) in notes and accounts receivable-trade	46,492	202,368
Decrease (□) in inventories	△ 36,588	△ 1,684
Increase (□) in notes and accounts payable-trade	2,714	4,227
Increase (decrease) in accrued consumption taxes (□)	△ 18,413	△ 21,779
Others	△ 10,556	△ 12,802
Subtotal	179,987	334,577
Dividend received	8,543	9,112
Income taxes paid	△ 64,151	△ 89,134
Net cash provided by (used in) operating activities	124,379	254,556
Cash flow from investing activities		
Purchase of property, plant and equipment	△ 11,670	-
Proceeds from sales of property, plant and equipment	2,701	-
Payments for lease and guarantee deposits	-	△ 47,091
Cash flow from investing activities	△ 8,968	△ 47,091
Cash flow from financing activities		
Proceeds from issuance of shares upon exercise of subscription rights to shares	1,154	756
Cash dividends paid	△ 126,382	△ 149,644
Cash flow from financing activities	△ 125,227	△ 148,888
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	△ 9,817	58,577
Cash and cash equivalents at beginning of period	1,847,362	1,848,030
Period-end balance of cash and cash equivalents	1,837,545	1,906,607

(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.