

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

August 10, 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 August 10, 2023 Scheduled date of commencement of dividend payment \_

Supplementary materials for quarterly financial results : Yes

Quarterly results briefing : Yes ( For institutional investors and securities analysts )

(Amounts are rounded down to the nearest million yen)

Financial Results for the Second Quarter of the Fiscal Year Ending December 1, 2023 (January 1, 2023 to June 30, 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	%
Second Quarter of Fiscal 2023	1,399	7.2	195	23.9	195	16.5	152	31.4
Q2 FY 12/2022	1,306	0.4	158	(18.5)	167	(17.5)	115	(18.1)
	Per share Net profit		Fully diluted Per share Net profit					
	Yen		Yen					
Second Quarter of Fiscal 2023	3.29		3.28					
Q2 FY 12/2022	2.50		2.48					

(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	%
Second Quarter of Fiscal 2023	3,078	2,783	90.4
FY 2022/12	3,143	2,836	90.2

(Reference Shareholders' equity) Second Quarter of Fiscal 2023 2,783 Millions 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	-	0.00			
FY 2023 (Forecast)			-	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 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	2,750	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)

2Q for the Year Ended December 31, 2023	46,444,800 Shares	FY 2022/12	46,444,800 Shares
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2 Number of treasury stock at the end of the period

2Q for the Year Ended December 31, 2023	542,284 Shares	FY 2022/12	39,484 Shares
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3 Average number of shares outstanding (quarterly consolidated  
cumulative period)

2Q for the Year Ended December 31, 2023	46,028,202 Shares	2Q for the Year Ended December 31, 2022	46,186,438 Shares
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(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.

## ○Accompanying Materials – Contents

1.Quarterly Financial Statements and Major Notes.....	2
(1)Quarterly Balance Sheets.....	2
(2)Quarterly Statements of Income.....	3
(3)Quarterly Cash Flow Statement.....	4
(4)Notes to Quarterly Financial Statements.....	5
(Notes on the Going Concern Assumption).....	5
(Notes on Substantial Changes in the Amount of Shareholders' Equity).....	5

## 2. Quarterly Financial Statements and Major Notes

## (1) Quarterly Balance Sheets

(Thousands of yen)

	Prior taxable year As of December 31, 2022	Current Second Quarter As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,068,810	2,406,133
Accounts receivable and contract assets	454,257	492,618
Work in process	2,704	8,404
Others	21,340	25,326
Total current assets	2,547,111	2,932,481
Fixed assets		
Property, plant and equipment	55,754	52,293
Intangible assets	218	218
Investments and other assets	540,153	93,376
Total noncurrent assets	596,125	145,887
Total assets	3,143,237	3,078,367
<b>Liabilities</b>		
Current liabilities		
Accounts payable	159,130	128,305
Income taxes payable	53,010	63,134
Others	78,511	87,452
Total current liabilities	290,651	278,890
Long-term liabilities		
Asset retirement obligations	16,504	16,513
Total noncurrent liabilities	16,504	16,513
Total liabilities	307,155	295,403
<b>Net assets</b>		
Shareholders' equity		
Common stock	323,871	323,871
Capital surplus	280,371	280,402
Retained earnings	2,242,861	2,243,659
Treasury stock	(5,646)	(65,039)
Total shareholders' equity	2,841,457	2,782,894
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	2,782,964
Total liabilities and net assets	3,143,237	3,078,367

## (2)Quarterly Statements of Income

## Cumulative Second Quarter

(Thousands of yen)

	Cumulative second quarter of the previous fiscal year (January 1, 2022 To June 30, 2022)	Cumulative Second Quarter Under Review (January 1, 2023 To June 30, 2023)
Net sales	1,305,678	1,399,118
Cost of sales	999,333	1,047,352
Gross profit	306,345	351,766
Selling, general and administrative expenses	148,624	156,412
Operating income	157,722	195,354
Non-operating income		
Interest income	9	10
Dividends income	9,112	-
Others	206	81
Total non-operating income	9,327	90
Non-operating expenses		
Loss on valuation of investment securities	-	805
Others	-	89
Total non-operating expenses	-	895
Ordinary income	167,049	194,550
Extraordinary income		
Gain on sales of investment securities	-	27,688
Total extraordinary income	-	27,688
Quarterly income before income taxes	167,049	222,238
Income taxes	50,842	55,111
Income taxes-deferred	802	15,511
Total income taxes	51,643	70,622
Net profit	115,406	151,616

## (3)Quarterly Cash Flow Statement

(Thousands of yen)

	Cumulative second quarter of the previous fiscal year (January 1, 2022 To June 30, 2022)	Cumulative Second Quarter Under Review (January 1, 2023 To June 30, 2023)
Net cash provided by operating activities		
Quarterly income before income taxes	167,049	222,238
Depreciation and amortization	3,295	3,461
Charges for stock compensation	3,015	4,555
Unrealized gains (losses) on available-for-sale securities. (Gain on ( ))	-	805
Dividends income	(9,112)	-
Loss (Gain) on Sales of Investment Securities. ( )	-	(27,688)
Decrease (increase) in notes and accounts receivable-trade (increase in ( ))	202,368	(38,361)
Decrease (increase) in inventories (increase in ( ))	(1,684)	(5,700)
Increase (decrease) in notes and accounts payable-trade (decrease in ( ))	4,227	(30,825)
Increase (decrease) in accrued consumption taxes ( ( ): decrease)	(21,779)	15,765
Others	(12,802)	(10,264)
Subtotal	334,577	133,986
Dividend received	9,112	-
Income taxes paid	(89,134)	(45,307)
Net cash provided by operating activities	254,556	88,679
Cash flow from investing activities		
Proceeds from sales of investment securities	-	458,000
Payments for lease and guarantee deposits	(47,091)	-
Cash flow from investing activities	(47,091)	458,000
Cash flow from financing activities		
Proceeds from issuance of shares upon exercise of subscription rights to shares	756	-
Purchase of treasury stock	-	(59,000)
Cash dividends paid	(149,644)	(150,357)
Cash flow from financing activities	(148,888)	(209,357)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	58,577	337,323
Cash and cash equivalents at beginning of period	1,848,030	2,068,810
Period-end balance of cash and cash equivalents	1,906,607	2,406,133

(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.