

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 2021

Company name: System Support Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4396 URL <https://www.sts-inc.co.jp>  
 Representative: Representative Director Ryoji Koshimizu  
 General Manager of Management  
 Inquiries: Naoyuki Morita TEL 076-265-5151  
 Headquarters  
 Scheduled date to file Quarterly Securities Report: November 11, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended September 30, 2021 (from July 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended September 30, 2021	3,721	13.5	241	19.3	248	21.8	162	19.4
Three months ended September 30, 2020	3,277	0.1	202	14.3	204	32.3	136	34.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2021	15.69		15.65	
Three months ended September 30, 2020	13.30		13.11	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	6,474	2,952	45.6
As of June 30, 2021	6,662	2,993	44.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2021	–	0.00	–	21.00	21.00
Year ending June 30, 2022	–				
Year ending June 30, 2022 (Forecast)		12.00	–	12.00	24.00

3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 31, 2021	7,742	11.9	582	14.6	575	11.2	386	12.2	37.31
Full year	15,962	10.6	1,080	16.0	1,066	11.7	745	10.5	71.97

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2021	10,370,000 shares	As of June 30, 2021	10,370,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	19,023 shares	As of June 30, 2021	18,123 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2021	10,351,336 shares	Three months ended September 30, 2020	10,230,886 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,697,455	2,553,599
Notes and accounts receivable - trade	2,205,577	–
Notes and accounts receivable - trade, and contract assets	–	2,254,887
Merchandise and finished goods	34,899	37,102
Work in process	123,068	46,737
Supplies	4,041	4,036
Other	254,284	271,781
Total current assets	5,319,326	5,168,144
Non-current assets		
Property, plant and equipment	323,867	305,626
Intangible assets	213,044	215,581
Investments and other assets	806,027	785,452
Total non-current assets	1,342,940	1,306,660
Total assets	6,662,266	6,474,804

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	544,966	530,507
Short-term borrowings	695,000	1,000,000
Current portion of long-term borrowings	87,239	78,275
Lease obligations	19,826	16,928
Income taxes payable	209,716	99,275
Provision for bonuses	8,716	224,203
Provision for loss on order received	4,144	582
Reserve for quality assurance	5,752	5,913
Other	1,548,293	1,037,716
<b>Total current liabilities</b>	<b>3,123,656</b>	<b>2,993,402</b>
<b>Non-current liabilities</b>		
Long-term borrowings	170,707	150,584
Lease obligations	30,200	27,061
Provision for retirement benefits for directors (and other officers)	207,704	213,629
Retirement benefit liability	134,003	134,947
Other	2,941	2,592
<b>Total non-current liabilities</b>	<b>545,558</b>	<b>528,815</b>
<b>Total liabilities</b>	<b>3,669,214</b>	<b>3,522,217</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	723,122	723,122
Capital surplus	549,639	549,639
Retained earnings	1,745,671	1,705,394
Treasury shares	(18,655)	(18,655)
<b>Total shareholders' equity</b>	<b>2,999,778</b>	<b>2,959,501</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	(2,326)	(3,078)
Remeasurements of defined benefit plans	(4,399)	(3,836)
<b>Total accumulated other comprehensive income</b>	<b>(6,725)</b>	<b>(6,914)</b>
<b>Total net assets</b>	<b>2,993,052</b>	<b>2,952,586</b>
<b>Total liabilities and net assets</b>	<b>6,662,266</b>	<b>6,474,804</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Net sales	3,277,559	3,721,112
Cost of sales	2,428,079	2,752,650
Gross profit	849,479	968,462
Selling, general and administrative expenses	647,283	727,283
Operating profit	202,196	241,178
Non-operating income		
Interest income	23	9
Subsidy income	3,922	10,070
Dividend income of insurance	1,305	1,480
Other	929	2,180
Total non-operating income	6,180	13,741
Non-operating expenses		
Interest expenses	4,184	3,714
Foreign exchange losses	–	2,466
Other	–	1
Total non-operating expenses	4,184	6,182
Ordinary profit	204,192	248,738
Profit before income taxes	204,192	248,738
Income taxes	68,111	86,294
Profit	136,080	162,443
Profit attributable to owners of parent	136,080	162,443

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Profit	136,080	162,443
Other comprehensive income		
Foreign currency translation adjustment	(339)	(751)
Remeasurements of defined benefit plans, net of tax	429	562
Total other comprehensive income	90	(189)
Comprehensive income	136,171	162,254
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	136,171	162,254