

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2024 (Based on Japanese GAAP)

May 8, 2024

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: May 9, 2024
 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 nine months ended March 31, 2024 (from July 1, 2023 to March 31, 2024)

(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	%
Nine months ended March 31, 2024	16,345	15.2	1,410	19.2	1,431	19.8	962	20.0
Nine months ended March 31, 2023	14,192	18.9	1,183	14.5	1,194	16.4	801	16.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended March 31, 2024	92.93		92.76	
Nine months ended March 31, 2023	77.40		77.25	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	9,913	4,789	48.3
As of June 30, 2023	8,870	4,124	46.5

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, 2023	–	15.00	–	17.00	32.00
Year ending June 30, 2024	–	18.00	–		
Year ending June 30, 2024 (Forecast)				18.00	36.00

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

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
Full year	21,784	13.1	1,763	21.0	1,755	19.8	1,167	15.6	112.75

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended March 31, 2024
 (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: No
- 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 March 31, 2024	10,380,000 shares	As of June 30, 2023	10,380,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	25,026 shares	As of June 30, 2023	25,026 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2024	10,354,974 shares	Nine months ended March 31, 2023	10,356,883 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,568,978	3,924,505
Notes and accounts receivable - trade, and contract assets	3,249,469	3,766,875
Merchandise and finished goods	41,076	49,791
Work in process	25,611	18,663
Supplies	3,050	9,259
Other	252,583	382,365
Allowance for doubtful accounts	(827)	(1,052)
Total current assets	7,139,941	8,150,408
Non-current assets		
Property, plant and equipment	474,225	423,824
Intangible assets		
Goodwill	170,561	148,632
Other	130,026	116,481
Intangible assets	300,588	265,113
Investments and other assets	956,086	1,074,501
Total non-current assets	1,730,900	1,763,439
Total assets	8,870,841	9,913,847

(Thousands of yen)

	As of June 30, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	596,108	971,818
Short-term borrowings	695,000	1,138,000
Current portion of long-term borrowings	60,866	43,066
Lease liabilities	52,376	49,880
Income taxes payable	235,660	314,664
Provision for bonuses	10,778	337,141
Reserve for quality assurance	12,739	11,604
Other	2,208,524	1,641,708
Total current liabilities	3,872,054	4,507,884
Non-current liabilities		
Long-term borrowings	253,274	158,502
Lease liabilities	146,348	113,748
Provision for retirement benefits for directors (and other officers)	260,754	278,458
Retirement benefit liability	197,617	26,144
Other	16,148	39,390
Total non-current liabilities	874,142	616,243
Total liabilities	4,746,197	5,124,127
Net assets		
Shareholders' equity		
Share capital	723,323	723,323
Capital surplus	549,837	549,837
Retained earnings	2,923,524	3,523,449
Treasury shares	(18,826)	(18,826)
Total shareholders' equity	4,177,860	4,777,784
Accumulated other comprehensive income		
Foreign currency translation adjustment	9,402	11,934
Remeasurements of defined benefit plans	(62,617)	–
Total accumulated other comprehensive income	(53,215)	11,934
Total net assets	4,124,644	4,789,719
Total liabilities and net assets	8,870,841	9,913,847

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
Net sales	14,192,364	16,345,567
Cost of sales	10,343,753	11,836,240
Gross profit	3,848,611	4,509,327
Selling, general and administrative expenses	2,665,172	3,098,742
Operating profit	1,183,438	1,410,584
Non-operating income		
Interest income	58	102
Commission income	12,855	13,493
Subsidy income	13,715	14,942
Other	5,725	9,860
Total non-operating income	32,355	38,398
Non-operating expenses		
Interest expenses	13,710	15,033
Foreign exchange losses	6,501	-
Other	663	2,854
Total non-operating expenses	20,875	17,887
Ordinary profit	1,194,918	1,431,095
Extraordinary income		
Gain on termination of retirement benefit plan	-	22,988
Total extraordinary income	-	22,988
Profit before income taxes	1,194,918	1,454,083
Income taxes	393,320	491,771
Profit	801,597	962,312
Profit attributable to owners of parent	801,597	962,312

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
Profit	801,597	962,312
Other comprehensive income		
Foreign currency translation adjustment	(2,410)	2,532
Remeasurements of defined benefit plans, net of tax	5,080	62,617
Total other comprehensive income	2,669	65,150
Comprehensive income	804,267	1,027,463
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	804,267	1,027,463