



Summary of Consolidated Financial Results for the Nine Months ended June 30, 2023 (Japanese GAAP)

August 10, 2023

Company name SYSTEM INFORMATION CO., LTD. Stock exchange listing: Tokyo Stock Exchange
 Code number 3677 URL <https://www.sysj.co.jp>
 Representative (Title) President and Representative Director (Name) Takashi Suzuki
 Contact (Title) General Manager, Business Administration Department (Name) Koichi Mizumoto Tel. 03-5547-5705
 Scheduled date of filing quarterly report August 10, 2023 Scheduled date of commencing dividend payments —
 Availability of supplementary briefing materials for quarterly financial results: No
 Availability of a quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months ended June 30, 2023 (October 1, 2022 to June 30, 2023)

(1) Consolidated Operating Results (YTD) (% indicates changes from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended June 30, 2023	11,413	5.2	1,250	(16.8)	1,273	(15.8)	849	(17.6)
Nine months ended June 30, 2022	10,850	14.5	1,502	25.0	1,511	23.5	1,031	30.3

(Note) Comprehensive income Nine months ended June 30, 2023 944 million yen (-7.4%)
 Nine months ended June 30, 2022 1,019 million yen (36.6%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2023	36.87	-
Nine months ended June 30, 2022	44.14	-

- (Notes) 1. To calculate earnings per share, shares of the Company that are held by Custody Bank of Japan, Ltd. (trust account) as trust property under the "Employee Stock Ownership Plan," are included in treasury shares that are deducted when calculating the average number of shares during the period.
 2. Diluted earnings per share is not shown as there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2023	8,171	5,906	72.3	256.32
As of September 30, 2022	7,795	5,400	69.3	234.40

(Reference) Equity As of June 30, 2023 5,906 million yen As of September 30, 2022 5,400 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	-	0.00	-	19.00	19.00
Fiscal year ending September 30, 2023	-	0.00	-	-	-
Fiscal year ending September 30, 2023 (Forecast)	-	-	-	19.00	19.00

(Note) Revisions to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2023
(from October 1, 2022 to September 30, 2023)

(% indicates changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	15,500	5.8	1,720	(5.3)	1,740	(4.9)	1,170	(5.9)	50.78

(Note) Revisions to the financial results forecast announced most recently: No

*Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

Newly included: - (Company name) -, Excluded: - (Company name) -

(2) Applicability of accounting policies unique to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Number of issued shares (common stock)

1) Number of issued shares at the end of the period (including treasury shares)	June 30, 2023	23,672,000 shares	September 30, 2022	23,672,000 shares
2) Number of treasury shares at the end of the period	June 30, 2023	630,022 shares	September 30, 2022	630,022 shares
3) Average number of shares during the period (cumulative from the start of the period)	Nine months ended June 30, 2023	23,041,978 shares	Nine months ended June 30, 2022	23,370,769 shares

(Note) The number of treasury shares at the end of the period includes the Company shares held by Custody Bank of Japan, Ltd. (trust account) (60,000 shares as of June 30, 2023, and 60,000 shares as of September 30, 2022). Shares of the Company that are held by Custody Bank of Japan, Ltd. (trust account) are included in treasury shares that are deducted when calculating the average number of shares during the period (60,000 shares as of June 30, 2023, and 60,000 shares as of June 30, 2022).

* The summary of quarterly consolidated financial results is not subject to quarterly review by certified public accountants or auditing firms.

*Explanation on the appropriate use of earnings forecasts and other special notes

(Notes on forward-looking statements)

Earnings forecasts and other forward-looking statements contained in this document are based on the information the Company has obtained to date and on certain assumptions it considers reasonable. Note that actual results and other future events may differ materially from these forecasts and statements due to a variety of factors.

Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Thousand yen)

	Previous fiscal year (September 30, 2022)	Q3 of current fiscal year (June 30, 2023)
Assets		
Current assets		
Cash and deposits	3,637,693	3,792,497
Accounts receivable - trade, and contract assets	2,384,334	2,309,233
Work in process	8,011	34,955
Other	109,169	130,992
Total current assets	6,139,208	6,267,678
Non-current assets		
Property, plant and equipment	153,985	197,999
Intangible assets		
Goodwill	50,326	28,167
Other	32,874	24,121
Total intangible assets	83,201	52,289
Investments and other assets		
Investment securities	861,016	997,301
Other	561,893	659,706
Allowance for doubtful accounts	(3,500)	(3,500)
Total investments and other assets	1,419,409	1,653,507
Total non-current assets	1,656,596	1,903,796
Total assets	7,795,804	8,171,474
Liabilities		
Current liabilities		
Accounts payable - trade	581,519	573,009
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	129,166	31,546
Income taxes payable	359,429	139,325
Provision for bonuses	164,542	329,454
Other	764,187	682,949
Total current liabilities	2,098,844	1,856,285
Non-current liabilities		
Long-term borrowings	107,500	182,620
Provision for share awards	23,401	23,401
Retirement benefit liability	9,197	-
Other	155,896	203,011
Total non-current liabilities	295,994	409,032
Total liabilities	2,394,839	2,265,317
Net assets		
Shareholders' equity		
Share capital	502,636	502,636
Capital surplus	189,336	189,336
Retained earnings	4,997,123	5,407,760
Treasury shares	(678,744)	(678,744)
Total shareholders' equity	5,010,351	5,420,989
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	390,613	485,167
Total accumulated other comprehensive income	390,613	485,167
Total net assets	5,400,965	5,906,157
Total liabilities and net assets	7,795,804	8,171,474

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(First nine months of the fiscal year)

(Thousand yen)

	First nine months of previous fiscal year (From October 1, 2021 to June 30, 2022)	First nine months of current fiscal year (From October 1, 2022 to June 30, 2023)
Net sales	10,850,267	11,413,921
Cost of sales	8,402,170	9,021,889
Gross profit	2,448,097	2,392,032
Selling, general and administrative expenses	945,981	1,141,810
Operating profit	1,502,115	1,250,221
Non-operating income		
Interest income	61	66
Dividend income	14,127	23,024
Commission income	2,178	2,552
Subsidy income	809	1,740
Other	808	1,117
Total non-operating income	17,985	28,501
Non-operating expenses		
Interest expenses	2,498	2,593
Loss on sale of receivables	542	-
Loss on cancellation of insurance policies	2,606	1,980
Other	2,968	815
Total non-operating expenses	8,616	5,389
Ordinary profit	1,511,485	1,273,333
Extraordinary income		
Gain on sale of investment securities	4,721	-
Total extraordinary income	4,721	-
Extraordinary losses		
Loss on sale of non-current assets	-	870
Loss on retirement of non-current assets	127	-
Total extraordinary losses	127	870
Profit before income taxes	1,516,079	1,272,462
Income taxes	484,562	422,887
Profit	1,031,516	849,575
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,031,516	849,575

(Quarterly Consolidated Statement of Comprehensive Income)
(First nine months of the fiscal year)

(Thousand yen)

	First nine months of previous fiscal year (From October 1, 2021 to June 30, 2022)	First nine months of current fiscal year (From October 1, 2022 to June 30, 2023)
Profit	1,031,516	849,575
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,125)	94,554
Total other comprehensive income	(12,125)	94,554
Comprehensive income	1,019,391	944,129
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,019,391	944,129
Comprehensive income attributable to non- controlling interests	-	-