

Year ended December 31, Consolidated Financial Results for the Second Quarter (Interim Period) [Japanese
2024 GAAP]

August 14, 2024

Company name: Nomura System Corporation Listed on Tokyo
 Stock code 3940 URL https://www.nomura-system.co.jp
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 Scheduled date of semi-annual report submission August 14, 2024 Scheduled date of commencement of dividend payment _
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results briefing : Yes (For institutional investors and securities analysts)

(Amounts are rounded to the nearest million yen)

Results for the second quarter (interim) of the fiscal year ended December 31, 1.2024 (January 1, 2024-June 30, 2024)

(1)Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period ended December 31, 2024	1,578	12.8	250	28.2	251	28.8	172	13.3
Interim period ended December 31, 2023	1,399	7.2	195	23.9	195	16.5	152	31.4
	Per share Net income		Fully diluted Per share Net income					
	Yen		Yen					
Interim period ended December 31, 2024	3.74		3.73					
Interim period ended December 31, 2023	3.29		3.28					

(2)Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Interim period ended December 31, 2024	3,350	2,987	89.2
Year ended December 31, 2023	3,442	3,043	88.4

(Reference Shareholders' equity Interim period ended December 31, 2024 2,987Millions of yen Year ended December 31, 2023 3,043Millions 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
Year ended December 31, 2023	-	0.00	-	3.25	3.25
Year ended December 31, 2024	-	0.00			
FY2024/12 (Forecast)			-	3.25	3.25

(NOTE Revisions to the dividend forecasts most recently announced : None)

Forecast for FY01/12/3.2024 (January 1, 2024 to December 31, 2024)

(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	3,203	8.7	324	(30.4)	324	(30.4)	221	(38.5)	4.77
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(NOTE Revisions to the most recently announced earnings forecasts : None
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※ Notes

(1)Application of special accounting methods for the preparation of interim financial statements : None

(2)Changes in accounting policies and changes or restatement of accounting estimates

- Changes in accounting policies caused by revision of accounting standards : None
- Changes in accounting policies other than (i) : None
- Changes in accounting estimates : None
- Restatement of revisions : None

(3)Number of shares outstanding (common shares)

- Number of shares outstanding at the end of the period (including treasury stock)
- Number of treasury stock at the end of the period
- Average number of shares outstanding (interim period)

Interim period ended December 31, 2024	46,540,800 Sha res	Year ended December 31, 2023	46,444,800 Sha res
Interim period ended December 31, 2024	775,004 Sha res	Year ended December 31, 2023	73,804 Sha res
Interim period ended December 31, 2024	45,910,481 Sha res	Interim period ended December 31, 2023	46,028,202 Sha res

※ The financial results for the second quarter (interim term) are not subject to review by a certified public accountant or an 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.

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1. Interim Financial Statements and Major Notes

(1) Interim balance sheets

(Thousands of yen)

	Prior taxable year As of December 31, 2023	Current interim accounting period As of June 30, 2024
Assets		
Current assets		
Cash and deposits	2,665,886	2,626,456
Accounts receivable and contract assets	554,530	498,043
Work in process	2,017	8,404
Others	32,469	36,760
Total current assets	3,254,903	3,169,663
Fixed assets		
Property, plant and equipment	52,259	54,861
Intangible assets	218	218
Investments and other assets	134,135	124,908
Total noncurrent assets	186,612	179,988
Total assets	3,441,515	3,349,651
Liabilities		
Current liabilities		
Accounts payable	183,183	146,399
Income taxes payable	73,426	88,553
Others	123,238	109,319
Total current liabilities	379,848	344,271
Long-term liabilities		
Asset retirement obligations	18,699	18,708
Total noncurrent liabilities	18,699	18,708
Total liabilities	398,546	362,980
Net assets		
Shareholders' equity		
Common stock	323,871	325,407
Capital surplus	280,371	281,907
Retained earnings	2,447,393	2,468,466
Treasury stock	(8,738)	(89,180)
Total shareholders' equity	3,042,898	2,986,601
Stock acquisition right	71	71
Total net assets	3,042,968	2,986,671
Total liabilities and net assets	3,441,515	3,349,651

(2)Interim statements of income

(Thousands of yen)

	Previous interim accounting period (January 1, 2023 To June 30, 2023)	Current interim accounting period (January 1, 2024 To June 30, 2024)
Net sales	1,399,118	1,577,987
Cost of sales	1,047,352	1,154,569
Gross profit	351,766	423,419
Selling, general and administrative expenses	156,412	173,025
Operating income	195,354	250,394
Non-operating income		
Interest income	10	11
Others	81	211
Total non-operating income	90	222
Non-operating expenses		
Loss on valuation of investment securities	805	-
Others	89	17
Total non-operating expenses	895	17
Ordinary income	194,550	250,598
Extraordinary income		
Gain on sales of investment securities	27,688	-
Total extraordinary income	27,688	-
Income before taxes	222,238	250,598
Income taxes	55,111	79,115
Income taxes-deferred	15,511	(295)
Total income taxes	70,622	78,820
Net income	151,616	171,779

(3)Interim Statement of Cash Flows

(Thousands of yen)

	Previous interim accounting period (January 1, 2023 To June 30, 2023)	Current interim accounting period (January 1, 2024 To June 30, 2024)
Net cash provided by operating activities		
Income before taxes	222,238	250,598
Depreciation and amortization	3,461	5,361
Charges for stock compensation	4,555	9,768
Unrealized gains (losses) on available-for-sale securities. (Gain on □)	805	-
Loss (Gain) on Sales of Investment Securities. (□)	(27,688)	-
Decrease (increase) in notes and accounts receivable-trade (increase in □)	(38,361)	56,487
Decrease (increase) in inventories (increase in □)	(5,700)	(6,388)
Increase (decrease) in notes and accounts payable-trade (decrease in □)	(30,825)	(36,785)
Increase (decrease) in accrued consumption taxes (□: decrease)	15,765	(16,238)
Others	(10,264)	(2,195)
Subtotal	133,986	260,608
Income taxes paid	(45,307)	(64,545)
Net cash provided by operating activities	88,679	196,064
Cash flow from investing activities		
Purchase of property, plant and equipment	-	(7,964)
Proceeds from sales of investment securities	458,000	-
Cash flow from investing activities	458,000	(7,964)
Cash flow from financing activities		
Proceeds from issuance of shares upon exercise of subscription rights to shares	-	3,072
Purchase of treasury stock	(59,000)	(80,442)
Cash dividends paid	(150,357)	(150,161)
Cash flow from financing activities	(209,357)	(227,531)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	337,323	(39,431)
Cash and cash equivalents at beginning of period	2,068,810	2,665,886
Cash and cash equivalents, end of the period	2,406,133	2,626,456

(4)Notes to Interim Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on Segment Information)

[Segment Information]

Disclosure is omitted because ERP Solution Business is the only single segment.