



Year ended December 31, 2024 Consolidated Financial Results [Japanese GAAP]

February 14, 2025

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 ordinary general meeting of shareholders March 26, 2025 Scheduled date of commencement of dividend payment March 27, 2025
 Scheduled date of filing of annual securities report March 26, 2025
 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 fiscal year ended December 1, 2024 (January 1, 2024-December 31, 2024)

(1) Operating Results

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	3,275	11.2	515	10.8	515	10.5	366	1.8
Year ended December 31, 2023	2,946	9.3	464	32.0	466	25.5	360	40.6

	Per share Net Income	Fully diluted Per share Net Income	Shareholders' equity Net income margin	Total assets Ordinary income ratio	Net sales Operating income margin
	Yen	Yen	%	%	%
Year ended December 31, 2024	7.96	7.93	11.6	14.4	15.7
Year ended December 31, 2023	7.82	7.79	12.2	14.1	15.8

(Reference) Equity in earnings of affiliates Year ended December 31, 2024 —Millions of yen Year ended December 31, 2023 Millions of yen

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended December 31, 2024	3,699	3,249	87.8	70.00
Year ended December 31, 2023	3,442	3,043	88.4	65.62

(Reference) Shareholders' equity Year ended December 31, 2024 3,249 Millions of yen Year ended December 31, 2023 3,043 Millions of yen

(3) Cash Flow

	From operating activities Cash Flows	From investing activities Cash Flows	From financing activities Cash Flows	Cash and cash equivalents Balance at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	420	(9)	(223)	2,854
Year ended December 31, 2023	350	457	(209)	2,666

2. Dividends

	Dividend per share					Total dividend amount (Total)	Dividend payout ratio	Net assets Dividend rate
	End of first quarter	End of second quarter	End of the third quarter	Term end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended	-	0.00	-	3.25	3.25	151	41.6	5.1

December 31, 2023								
Year ended								
December 31, 2024	-	0.00	-	3.25	3.25	151	40.8	4.8
FY2025/12 (Forecast)	-	0.00	-	3.25	3.25		-	

Forecast for FY12/15, 3.2025 (January 1, 2025-December 31, 2025)

(Percentages represent year-on-year changes for the full fiscal year and year-on-year changes for the quarter.)

	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
Second quarter (cumulative)	1,683	6.7	202	(19.3)	202	(19.4)	138	(19.8)	2.97
Full year	3,472	6.0	417	(18.9)	417	(18.9)	285	(22.3)	6.13

(NOTE)(Appendix) Please refer to "1. Overview of Operating Results, etc., (4) Future Outlook" on page 3.

※ Notes

(1) 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

(2) 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 during the period

Year ended December 31, 2024	46,692,000	Shares	Year ended December 31, 2023	46,444,800	Shares
Year ended December 31, 2024	285,604	Shares	Year ended December 31, 2023	73,804	Shares
Year ended December 31, 2024	46,000,985	Shares	Year ended December 31, 2023	45,972,501	Shares

※ The financial results are outside the scope of audits 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. Please refer to "1. Overview of Operating Results, etc., (4) Future Outlook" on page 3 for the preconditions for the forecasts and notes on the use of the forecasts.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

In the current fiscal year, the Japanese economy is showing signs of recovery due to the normalization of economic activities, improvement in the employment and income environment, and an increase in inbound demand. However, the situation remains uncertain due to geopolitical risks, soaring prices, and the effects of the yen's depreciation.

In the operating environment surrounding us, the pace of corporate IT spending continues to increase, including the introduction of online conferencing systems and cloud-based systems, the response to mission-critical system transitions associated with SAP ERP 6.0® standard-support maintenance deadlines, and digital transformation (DX) initiatives.

In this business climate, we have promoted sales activities centered on our strength of personnel solutions in order to win more orders for prime (prime contractor projects) for the introduction of SAP ERP packaging. At the same time, the Group aggressively conducted sales activities in FIS (*), RPA and PMO businesses, and worked to stabilize orders and expand its client base.

As a result, for the fiscal year under review, net sales increased 11.2% year on year to ¥3275015000, operating income increased 10.8% to ¥514507000, ordinary income increased 10.5% to ¥514579000, and net income increased 1.8% to ¥366050000.

Since we are only a single segment of ERP Solutions Business, we have not presented this information by segment.

(※)FIS(Function Implement Service)

In SAP introduction project, client requirements are analyzed from business design and system design, and technical support is provided for design of SAP realization functions and add-on (built-in) design.

(2) Overview of Financial Position for the Current Fiscal Year

Assets

Total assets at the end of the fiscal year under review increased 257450000 yen from the end of the previous fiscal year to 3698965000 yen. This was mainly due to increases of ¥188263000 in cash and deposits and ¥25312000 in accounts receivable and contract assets.

Liabilities

Liabilities at the end of the fiscal year under review increased by ¥51804000 from the end of the previous fiscal year to ¥450350000. This was mainly due to increases of 19972000 yen in accounts payable-trade and 32650000 yen in income taxes payable.

(Net assets)

Net assets at the end of the fiscal year under review increased by ¥205646000 from the end of the previous fiscal year to ¥3248614000. This was mainly due to an increase in retained earnings of ¥366050000 due to the recording of net income, and a decrease of ¥150705000 due to the payment of dividends.

(3) Overview of cash flows for the fiscal year under review

The balance of cash and cash equivalents (hereinafter referred to as "cash") at the end of the current fiscal year increased by 188263000 yen from the end of the previous fiscal year to 2854150000 yen.

The status of each cash flow for the current fiscal year is as follows.

Cash flows from operating activities

Net cash provided by operating activities during the fiscal year under review was ¥420117000, compared with net cash provided by operating activities of ¥349792000 in the previous fiscal year. This was mainly attributable to ¥514579000 in income before income taxes and ¥24993000 in share-based compensation expenses, as well as ¥25312000 in changes in notes and accounts receivable-trade and ¥126248000 in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities during the fiscal year under review was ¥8889000, compared with net cash provided by investing activities of ¥456740000 in the previous fiscal year. This was mainly due to purchase of property, plant and equipment of ¥7964000 and payments for lease and guarantee deposits of ¥926000.

Cash flows from financing activities

Net cash used in financing activities during the fiscal year under review was ¥222964000, compared with net cash used in financing activities of ¥209456000 in the previous fiscal year. This was mainly due to cash dividends paid of ¥150447000 and purchase of treasury stock of ¥80442000.

(Reference) Trends in cash flow-related indicators

	Year ended December 31, 2020	Year ended December 31, 2021	FY 2022/12	Year ended December 31, 2023	Year ended December 31, 2024
Shareholders' equity ratio (%)	89.3	89.4	90.2	88.4	87.8
Equity ratio based on market value (%)	313.9	215.2	171.3	155.0	151.8
Interest-bearing cash flow Debt ratio	—	—	—	—	—
Interest coverage · Ratio	—	—	—	—	—

Equity ratio : Equity capital/Total assets

Shareholders' equity ratio based on market capitalization: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flow

Instant Coverage Ratio: Operating Cash Flow/Interest Payments

(NOTE) 1. Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of shares outstanding at the end of the period (excluding treasury stock).

2. Interest-bearing debt to cash flow ratio and interest coverage ratio are not stated because interest-bearing debt does not exist in any of the above periods.

(4)Future Outlook

Looking ahead, corporate IT investment is expected to remain firm against the backdrop of demand for switching corporate core systems from systems developed in-house to ERP packaging and growing demand for cloud-based ERP packaging.

Against this backdrop, we will continue to focus on prime in the human resources field, further expand prime, develop new customers in other fields, such as the accounting field, and provide high-value-added services in FIS to secure stable earnings. In addition, /PMO Consulting Division of the Strategic Planning Department of PMO (*) will provide IT strategic consulting services needed by companies pursuing DX and corporate reforms to achieve these goals as planned, with the aim of continuously acquiring projects. In addition, we plan to continue to make the necessary investments in developing our own solutions aimed at increasing prime orders, increasing the number of recruits and developing human resources.

For this reason, we are currently forecasting net sales of ¥3.4715 billion, operating income of ¥417238000, ordinary income of ¥417238000, and net income of ¥284561000 for the next fiscal year.

(※)PMO(Project Management Office)

A management structure that standardizes the governance processes associated with a project and facilitates the sharing of resources, methodologies, tools and techniques.

(5)Significant Events Related to the Going Concern Assumption

Not applicable.

2.Basic Approach to Selection of Accounting Standards

Many of our stakeholders are domestic shareholders, creditors, business partners, etc., and there is little need to procure funds from overseas. Accordingly, the accounting standard has been applied to Japanese GAAP.

3. Financial Statements and Major Notes

(1) Balance Sheet

(Thousands of yen)

	Prior taxable year As of December 31, 2023	Current fiscal year As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,665,886	2,854,150
Accounts receivable and contract assets	554,530	579,842
Work in process	2,017	3,667
Prepaid expenses	30,335	41,263
Others	2,134	1,413
Total current assets	3,254,903	3,480,335
Fixed assets		
Property, plant and equipment		
Buildings	51,913	51,913
Accumulated depreciation	(7,155)	(12,841)
Buildings, net	44,758	39,073
Automotive equipment	11,670	11,670
Accumulated depreciation	(8,207)	(9,363)
Vehicles, net	3,463	2,306
Tools, furniture and fixtures	13,274	21,238
Accumulated depreciation	(9,237)	(13,382)
Tools, furniture, and fixtures, net	4,038	7,856
Total property, plant and equipment	52,259	49,235
Intangible assets		
Others	218	218
Total intangible assets	218	218
Investments and other assets		
Investment securities	0	-
Long-term prepaid expenses	58,093	83,634
Deferred tax assets	18,754	27,329
Others	57,288	58,214
Total investments and other assets	134,135	169,177
Total noncurrent assets	186,612	218,630
Total assets	3,441,515	3,698,965

(Thousands of yen)

	Prior taxable year As of December 31, 2023	Current fiscal year As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable	183,183	203,155
Accounts payable-other	44,450	50,637
Accrued expenses	9,126	3,373
Income taxes payable	73,426	106,076
Deposits received	21,059	23,614
Others	48,603	44,777
Total current liabilities	379,848	431,633
Long-term liabilities		
Asset retirement obligations	18,699	18,718
Total noncurrent liabilities	18,699	18,718
Total liabilities	398,546	450,350
Net assets		
Shareholders' equity		
Common stock	323,871	327,834
Capital surplus		
Legal capital surplus	280,371	284,334
Other capital surplus	-	4,559
Total capital surplus	280,371	288,893
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,447,393	2,662,737
Total retained earnings	2,447,393	2,662,737
Treasury stock	□8,738	□30,921
Total shareholders' equity	3,042,898	3,248,544
Stock acquisition right	71	71
Total net assets	3,042,968	3,248,614
Total liabilities and net assets	3,441,515	3,698,965

(2)Income Statement

	(Thousands of yen)	
	Prior taxable year (January 1, 2023 To December 31, 2023)	Current fiscal year (January 1, 2024 To December 31, 2024)
Net sales	2,945,981	3,275,015
Cost of sales	2,163,861	2,404,588
Gross profit	782,120	870,426
Selling, general and administrative expenses	317,773	355,919
Operating income	464,347	514,507
Non-operating income		
Subsidy income	1,959	-
Others	100	411
Total non-operating income	2,060	411
Non-operating expenses		
Loss on valuation of investment securities	805	-
Others	85	339
Total non-operating expenses	890	339
Ordinary income	465,516	514,579
Extraordinary income		
Gain on sales of investment securities	27,688	-
Total extraordinary income	27,688	-
Income before income taxes	493,204	514,579
Income taxes	123,354	157,104
Income taxes-deferred	10,236	□8,575
Total income taxes	133,590	148,528
Net Income	359,614	366,050

(3)Statement of Changes in Shareholders Equity

Previous fiscal year (from January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Opening balance	323,871	280,371	-	280,371	2,242,861	2,242,861	□5,646	2,841,457
Change during the year								
Issuance of new shares (exercise of subscription rights to shares)								
Dividend of surplus					(150,817)	(150,817)		(150,817)
Net Income					359,614	359,614		359,614
Purchase of treasury stock							(59,000)	(59,000)
Disposal of treasury stock			(4,264)	(4,264)			55,908	51,644
Transfer of loss on disposal of treasury stock			4,264	4,264	(4,264)	(4,264)		-
Items other than shareholders' equity								
Net change in the year								
Total changes in current term	-	-	-	-	204,532	204,532	(3,092)	201,441
Closing balance	323,871	280,371	-	280,371	2,447,393	2,447,393	(8,738)	3,042,898

	Valuation and translation adjustments		Stock acquisition right	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Opening balance	(5,446)	(5,446)	71	2,836,082
Change during the year				
Issuance of new shares (exercise of subscription rights to shares)				
Dividend of surplus				(150,817)
Net Income				359,614
Purchase of treasury stock				(59,000)
Disposal of treasury stock				51,644
Transfer of loss on disposal of treasury stock				-
Items other than shareholders' equity	5,446	5,446		5,446
Net change in the year				
Total changes in current term	5,446	5,446	-	206,886
Closing balance	-	-	71	3,042,968

Current fiscal year (from January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Opening balance	323,871	280,371	-	280,371	2,447,393	2,447,393	□8,738	3,042,898
Change during the year								
Issuance of new shares (exercise of subscription rights to shares)	3,962	3,962		3,962				7,925
Dividend of surplus					(150,706)	(150,706)		(150,706)
Net Income					366,050	366,050		366,050
Purchase of treasury stock							(80,442)	(80,442)
Disposal of treasury stock			4,559	4,559			58,259	62,818
Transfer of loss on disposal of treasury stock								
Items other than shareholders' equity								
Net change in the year								
Total changes in current term	3,962	3,962	4,559	8,522	215,345	215,345	(22,183)	205,646
Closing balance	327,834	284,334	4,559	288,893	2,662,737	2,662,737	(30,921)	3,248,544

	Valuation and translation adjustments		Stock acquisition right	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Opening balance	-	-	71	3,042,968
Change during the year				
Issuance of new shares (exercise of subscription rights to shares)				7,925
Dividend of surplus				(150,706)
Net Income				366,050
Purchase of treasury stock				(80,442)
Disposal of treasury stock				62,818
Transfer of loss on disposal of treasury stock				
Items other than shareholders' equity				
Net change in the year				
Total changes in current term	-	-	-	205,646
Closing balance	-	-	71	3,248,614

(4)Statements of cash flows

	(Thousands of yen)	
	Prior taxable year (January 1, 2023 To December 31, 2023)	Current fiscal year (January 1, 2024 To December 31, 2024)
Net cash provided by operating activities		
Income before income taxes	493,204	514,579
Depreciation and amortization	6,931	10,987
Charges for stock compensation	11,032	24,993
Unrealized gains (losses) on available-for-sale securities. (Gain on □)	805	0
Loss (Gain) on Sales of Investment Securities. (□)	(27,688)	-
Decrease (increase) in notes and accounts receivable-trade (increase in □)	(100,274)	(25,312)
Decrease (increase) in inventories (increase in □)	687	(1,650)
Increase (decrease) in notes and accounts payable-trade (decrease in □)	24,054	19,972
Increase (decrease) in accrued consumption taxes (□: decrease)	34,876	(4,084)
Others	10,280	6,880
Subtotal	453,909	546,365
Income taxes paid	(104,116)	(126,248)
Net cash provided by operating activities	349,792	420,117
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,260)	(7,964)
Proceeds from sales of investment securities	458,000	-
Payments for lease and guarantee deposits	-	(926)
Cash flow from investing activities	456,740	(8,889)
Cash flow from financing activities		
Proceeds from issuance of shares upon exercise of subscription rights to shares	-	7,925
Purchase of treasury stock	(59,000)	(80,442)
Cash dividends paid	(150,456)	(150,447)
Cash flow from financing activities	(209,456)	(222,964)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	597,076	188,263
Cash and cash equivalents at beginning of period	2,068,810	2,665,886
Cash and cash equivalents at end of term	2,665,886	2,854,150

(5)Notes to Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Segment Information)

Segment Information

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

(Equity in earnings of affiliates, etc.)

Not applicable because we do not have an affiliate.

(Per Share Information)

	Prior taxable year (January 1, 2023 To December 31, 2023)	Current fiscal year (January 1, 2024 To December 31, 2024)
Net assets per share	65.62 yen	70.00 yen
Net income per share	7.82 yen	7.96 yen
Diluted EPS Net income for computation	7.79 yen	7.93 yen

(NOTE) The basis for the calculation of net income per share is as follows.

Item	Prior taxable year (January 1, 2023 To December 31, 2023)	Current fiscal year (January 1, 2024 To December 31, 2024)
Net income per share		
Net income (thousand yen)	359,614	366,050
Amount not attributable to common shareholders	—	—
Net income attributable to common stock (thousand yen)	359,614	366,050
Average number of shares of common stock outstanding during the period (shares)	45,972,501	46,000,985
Diluted EPS Net income for computation		
Adjustment to net income (thousand yen)	—	—
Increase in common stock (shares)	218,734	148,664
(Stock acquisition rights (shares))	(218,734)	(148,664)
Summary of potential shares not included in the calculation of diluted net income per share because they have no dilutive effect	—	—

(Significant subsequent events)

(Acquisition of Treasury Stock)

At the meeting of the Board of Directors held on February 14, 2025, we resolved matters related to the acquisition of treasury stock in accordance with the Articles of Incorporation pursuant to the provisions of Article 459-1 of the Companies Act.

1.Reason for Conducting the Share Repurchase

We acquire treasury stock to improve capital efficiency and to enable the execution of flexible capital policies in response to changes in the business environment, including consideration of incentive plans, by acquiring such shares as treasury stock.

2.Contents of matters pertaining to the acquisition

(1)	Type of stock to be acquired	Common stock
(2)	Can acquire Total number of shares	Up to 1,000,000 shares (2.2% of the total number of issued shares (excluding treasury stock))
(3)	Aggregate amount of acquisition cost	Up to 200,000,000 yen
(4)	Acquisition period	February 17, 2025 to April 30, 2025
(5)	Acquisition method	Market purchase on the Tokyo Stock Exchange

(Reference) Treasury stock held as of December 31, 2024

Number of issued shares (excluding treasury stock)	46,406,396 shares
Treasury stock	285,604 shares