

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

Company name: JustSystems Corporation
 Stock exchange listing: Tokyo
 Stock code: 4686 URL <https://www.justsystems.com/en/>
 Representative: Kyotaro Sekinada, President & CEO
 Inquiries: Hiroshi Shigeta, Division Director of the Corporate Planning Div.
 TEL: +81-3-5324-7900
 Scheduled date to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	21,097	(0.3)	10,335	4.2	10,508	5.6	7,226	3.7
Six months ended September 30, 2021	21,158	—	9,919	—	9,953	—	6,970	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	112.52	—
Six months ended September 30, 2021	108.54	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	97,472	78,006	80.0
As of March 31, 2022	86,224	71,300	82.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	—	8.00	—	8.00	16.00
Year ending March 31, 2023	—	8.00	—	—	—
Year ending March 31, 2023 (Forecast)	—	—	—	8.00	16.00

3. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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: No
- (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 September 30, 2022	64,224,800 shares	As of March 31, 2022	64,224,800 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	882 shares	As of March 31, 2022	845 shares
--------------------------	------------	----------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	64,223,923 shares	Six months ended September 30, 2021	64,224,012 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	62,151	68,480
Notes and accounts receivable - trade	2,537	2,568
Securities	5,000	10,000
Merchandise and finished goods	738	415
Raw materials and supplies	2,430	1,972
Prepaid expenses	2,768	2,143
Other	719	1,066
Allowance for doubtful accounts	(36)	(35)
Total current assets	76,308	86,611
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,364	2,315
Land	3,569	3,569
Other, net	99	87
Total property, plant and equipment	6,033	5,972
Intangible assets		
Software	2,705	2,656
Software in progress	308	682
Other	0	0
Total intangible assets	3,014	3,339
Investments and other assets		
Investment securities	25	25
Other	1,032	1,714
Allowance for doubtful accounts	(190)	(190)
Total investments and other assets	868	1,549
Total non-current assets	9,916	10,861
Total assets	86,224	97,472

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	620	313
Accounts payable - other	1,748	1,320
Income taxes payable	2,843	3,812
Unearned revenue	8,319	11,993
Provision for bonuses	572	872
Other	694	1,027
Total current liabilities	14,797	19,340
Non-current liabilities		
Retirement benefit liability	104	101
Other	22	24
Total non-current liabilities	127	126
Total liabilities	14,924	19,466
Net assets		
Shareholders' equity		
Share capital	10,146	10,146
Capital surplus	12,293	12,293
Retained earnings	48,989	55,701
Treasury shares	(1)	(2)
Total shareholders' equity	71,427	78,140
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5	5
Foreign currency translation adjustment	(123)	(132)
Remeasurements of defined benefit plans	(9)	(6)
Total accumulated other comprehensive income	(127)	(133)
Total net assets	71,300	78,006
Total liabilities and net assets	86,224	97,472

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	21,158	21,097
Cost of sales	5,028	4,392
Gross profit	16,130	16,705
Selling, general and administrative expenses	6,211	6,369
Operating profit	9,919	10,335
Non-operating income		
Interest income	4	22
Dividend income	0	0
Foreign exchange gains	5	133
Rental income	22	16
Other	9	5
Total non-operating income	41	177
Non-operating expenses		
Rental expenses	1	0
Other	5	2
Total non-operating expenses	7	3
Ordinary profit	9,953	10,508
Profit before income taxes	9,953	10,508
Income taxes	2,982	3,282
Profit	6,970	7,226
Profit attributable to owners of parent	6,970	7,226

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	6,970	7,226
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Foreign currency translation adjustment	(0)	(9)
Remeasurements of defined benefit plans, net of tax	(0)	3
Total other comprehensive income	(1)	(6)
Comprehensive income	6,969	7,220
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,969	7,220

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	9,953	10,508
Depreciation	870	1,004
Increase (decrease) in provision for bonuses	239	300
Interest and dividend income	(5)	(22)
Foreign exchange losses (gains)	(5)	(133)
Decrease (increase) in trade receivables	320	(28)
Decrease (increase) in inventories	(421)	780
Increase (decrease) in trade payables	(598)	(306)
Increase (decrease) in accounts payable - other	(1,218)	(427)
Increase (decrease) in unearned revenue	3,657	3,680
Decrease (increase) in prepaid expenses	900	625
Increase (decrease) in retirement benefit liability	2	0
Other, net	234	(6)
Subtotal	13,931	15,975
Interest and dividends received	4	22
Income taxes paid	(2,439)	(2,658)
Net cash provided by (used in) operating activities	11,495	13,339
Cash flows from investing activities		
Payments into time deposits	(45)	(2,002)
Purchase of securities	(2,000)	(12,000)
Proceeds from redemption of securities	–	7,000
Purchase of property, plant and equipment	(11)	(2)
Purchase of intangible assets	(1,090)	(1,261)
Other, net	9	(357)
Net cash provided by (used in) investing activities	(3,138)	(8,622)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(513)	(513)
Net cash provided by (used in) financing activities	(513)	(513)
Effect of exchange rate change on cash and cash equivalents	4	12
Net increase (decrease) in cash and cash equivalents	7,849	4,214
Cash and cash equivalents at beginning of period	47,494	58,541
Cash and cash equivalents at end of period	55,343	62,756