

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 2023

Company name: JustSystems Corporation
 Stock exchange listing: Tokyo
 Stock code: 4686 URL <https://www.justsystems.com/en/>
 Representative: Kyotaro Sekinada, President & CEO
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 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: December 6, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	20,991	(0.5)	9,509	(8.0)	9,785	(6.9)	6,547	(9.4)
Six months ended September 30, 2022	21,097	(0.3)	10,335	4.2	10,508	5.6	7,226	3.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	101.94	–
Six months ended September 30, 2022	112.52	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	107,165	89,509	83.5
As of March 31, 2023	99,458	83,677	84.1

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, 2023	–	8.00	–	10.00	18.00
Year ending March 31, 2024	–	10.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	10.00	20.00

3. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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, 2023	64,224,800 shares	As of March 31, 2023	64,224,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	882 shares	As of March 31, 2023	882 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	64,223,918 shares	Six months ended September 30, 2022	64,223,923 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	73,137	83,654
Notes and accounts receivable - trade	2,720	2,944
Securities	7,000	5,000
Merchandise and finished goods	722	497
Raw materials and supplies	1,356	1,406
Prepaid expenses	2,334	2,029
Other	1,259	1,111
Allowance for doubtful accounts	(37)	(69)
Total current assets	88,491	96,574
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,267	2,222
Land	3,569	3,569
Other, net	74	63
Total property, plant and equipment	5,911	5,855
Intangible assets		
Software	3,321	3,223
Software in progress	257	394
Other	0	0
Total intangible assets	3,579	3,618
Investments and other assets		
Investment securities	28	29
Other	1,638	1,276
Allowance for doubtful accounts	(190)	(190)
Total investments and other assets	1,475	1,116
Total non-current assets	10,966	10,590
Total assets	99,458	107,165

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	819	369
Accounts payable - other	1,623	917
Income taxes payable	3,605	3,431
Unearned revenue	7,814	11,139
Provision for bonuses	696	832
Other	1,078	808
Total current liabilities	15,637	17,499
Non-current liabilities		
Retirement benefit liability	123	141
Other	20	15
Total non-current liabilities	143	156
Total liabilities	15,780	17,655
Net assets		
Shareholders' equity		
Share capital	10,146	10,146
Capital surplus	12,293	12,293
Retained earnings	61,362	67,195
Treasury shares	(2)	(2)
Total shareholders' equity	83,801	89,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	8
Foreign currency translation adjustment	(124)	(126)
Remeasurements of defined benefit plans	(6)	(5)
Total accumulated other comprehensive income	(123)	(123)
Total net assets	83,677	89,509
Total liabilities and net assets	99,458	107,165

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, 2022	Six months ended September 30, 2023
Net sales	21,097	20,991
Cost of sales	4,392	4,319
Gross profit	16,705	16,672
Selling, general and administrative expenses	6,369	7,163
Operating profit	10,335	9,509
Non-operating income		
Interest income	22	46
Dividend income	0	0
Foreign exchange gains	133	212
Rental income	16	14
Other	5	6
Total non-operating income	177	279
Non-operating expenses		
Rental expenses	0	0
Other	2	2
Total non-operating expenses	3	3
Ordinary profit	10,508	9,785
Profit before income taxes	10,508	9,785
Income taxes	3,282	3,238
Profit	7,226	6,547
Profit attributable to owners of parent	7,226	6,547

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	7,226	6,547
Other comprehensive income		
Valuation difference on available-for-sale securities	0	1
Foreign currency translation adjustment	(9)	(2)
Remeasurements of defined benefit plans, net of tax	3	1
Total other comprehensive income	(6)	0
Comprehensive income	7,220	6,547
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,220	6,547

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	10,508	9,785
Depreciation	1,004	1,088
Increase (decrease) in provision for bonuses	300	136
Interest and dividend income	(22)	(46)
Foreign exchange losses (gains)	(133)	(212)
Decrease (increase) in trade receivables	(28)	(218)
Decrease (increase) in inventories	780	174
Increase (decrease) in trade payables	(306)	(449)
Increase (decrease) in accounts payable - other	(427)	(704)
Increase (decrease) in unearned revenue	3,680	3,334
Decrease (increase) in prepaid expenses	625	304
Increase (decrease) in retirement benefit liability	0	18
Other, net	(6)	(124)
Subtotal	15,975	13,087
Interest and dividends received	22	64
Income taxes paid	(2,658)	(3,375)
Net cash provided by (used in) operating activities	13,339	9,776
Cash flows from investing activities		
Payments into time deposits	(2,002)	(8,050)
Purchase of securities	(12,000)	–
Proceeds from redemption of securities	7,000	2,000
Purchase of property, plant and equipment	(2)	(0)
Purchase of intangible assets	(1,261)	(1,064)
Other, net	(357)	(17)
Net cash provided by (used in) investing activities	(8,622)	(7,133)
Cash flows from financing activities		
Purchase of treasury shares	(0)	–
Dividends paid	(513)	(642)
Net cash provided by (used in) financing activities	(513)	(642)
Effect of exchange rate change on cash and cash equivalents	12	71
Net increase (decrease) in cash and cash equivalents	4,214	2,073
Cash and cash equivalents at beginning of period	58,541	70,469
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	333
Cash and cash equivalents at end of period	62,756	72,876