

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2024 (Based on Japanese GAAP)

November 6, 2024

Company name: System Support Inc.
 Stock exchange listing: Tokyo
 Stock code: 4396 URL <https://www.sts-inc.co.jp>
 Representative: Representative Director Ryoji Koshimizu
 General Manager of Management
 Inquiries: Naoyuki Morita TEL 076-265-5151
 Headquarters
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended September 30, 2024 (from July 1, 2024 to September 30, 2024)

(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	%
Three months ended September 30, 2024	6,154	22.3	436	9.0	406	0.7	247	(12.4)
Three months ended September 30, 2023	5,034	14.3	399	31.2	404	30.7	282	37.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2024	24.09	24.07
Three months ended September 30, 2023	27.32	27.27

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	11,206	4,800	42.8
As of June 30, 2024	9,929	5,055	50.9

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 June 30, 2024	–	18.00	–	22.00	40.00
Year ending June 30, 2025	–				
Year ending June 30, 2025 (Forecast)		24.00	–	24.00	48.00

3. Forecast of consolidated financial results for the year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 31, 2024	12,644	18.9	1,063	20.3	1,064	18.3	718	16.9	70.05
Full year	26,087	18.4	2,115	26.6	2,106	20.8	1,444	18.0	140.06

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended September 30, 2024: Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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: Yes
- 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, 2024	10,400,000 shares	As of June 30, 2024	10,380,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	175,026 shares	As of June 30, 2024	25,026 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2024	10,287,040 shares	Three months ended September 30, 2023	10,354,974 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,253,313	4,366,657
Notes and accounts receivable - trade, and contract assets	3,539,162	3,784,759
Merchandise and finished goods	36,855	25,036
Work in process	18,541	30,909
Supplies	2,641	2,740
Other	331,108	484,725
Allowance for doubtful accounts	(16,209)	(18,608)
Total current assets	8,165,413	8,676,221
Non-current assets		
Property, plant and equipment	468,947	540,933
Intangible assets		
Goodwill	141,322	468,802
Other	110,172	109,971
Total intangible assets	251,494	578,773
Investments and other assets	1,043,244	1,410,363
Total non-current assets	1,763,687	2,530,070
Total assets	9,929,100	11,206,292

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	635,449	811,298
Short-term borrowings	700,000	1,062,000
Current portion of bonds payable	–	20,000
Current portion of long-term borrowings	44,488	302,852
Lease liabilities	46,752	63,740
Income taxes payable	367,096	180,067
Provision for bonuses	11,523	358,033
Provision for loss on orders received	–	734
Reserve for quality assurance	14,888	14,597
Other	2,446,190	1,792,733
Total current liabilities	4,266,390	4,606,057
Non-current liabilities		
Bonds payable	–	25,000
Long-term borrowings	167,122	1,014,034
Lease liabilities	103,146	131,970
Provision for retirement benefits for directors (and other officers)	285,867	127,820
Retirement benefit liability	26,601	65,587
Other	24,017	435,500
Total non-current liabilities	606,755	1,799,912
Total liabilities	4,873,145	6,405,970
Net assets		
Shareholders' equity		
Share capital	723,323	723,726
Capital surplus	549,837	550,235
Retained earnings	3,785,521	3,805,558
Treasury shares	(18,826)	(287,026)
Total shareholders' equity	5,039,857	4,792,493
Accumulated other comprehensive income		
Foreign currency translation adjustment	16,097	7,827
Total accumulated other comprehensive income	16,097	7,827
Total net assets	5,055,954	4,800,321
Total liabilities and net assets	9,929,100	11,206,292

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Net sales	5,034,008	6,154,402
Cost of sales	3,634,248	4,511,392
Gross profit	1,399,759	1,643,010
Selling, general and administrative expenses	999,765	1,206,962
Operating profit	399,993	436,047
Non-operating income		
Interest income	33	334
Commission income	3,635	10,271
Subsidy income	500	5,626
Dividend income of insurance	1,236	–
Other	4,256	6,166
Total non-operating income	9,662	22,397
Non-operating expenses		
Interest expenses	5,399	7,280
Foreign exchange losses	–	43,999
Other	147	206
Total non-operating expenses	5,547	51,487
Ordinary profit	404,108	406,957
Extraordinary income		
Gain on sale of non-current assets	–	10
Gain on termination of retirement benefit plan	22,988	–
Total extraordinary income	22,988	10
Profit before income taxes	427,096	406,967
Income taxes	144,233	159,121
Profit	282,863	247,846
Profit attributable to owners of parent	282,863	247,846

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Profit	282,863	247,846
Other comprehensive income		
Foreign currency translation adjustment	1,618	(8,269)
Remeasurements of defined benefit plans, net of tax	62,617	–
Total other comprehensive income	64,236	(8,269)
Comprehensive income	347,099	239,576
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	347,099	239,576