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## Consolidated Financial Results for the Nine Months Ended December 31, 2020 [Japanese GAAP]

February 01, 2021

Company name: NIPPON SYSTEMWARE CO., LTD.

Stock exchange listing: Tokyo

Code number: 9739

URL: <https://www.nsw.co.jp/>

Representative: Shoji Tada

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Scheduled date of filing quarterly securities report: February 12, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

President (Representative Director)

Executive Corporate Officer and Member of the Board

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 01, 2020 to December 31, 2020)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2020	27,088	(0.3)	2,655	(2.9)	2,685	(2.8)	1,715	(9.4)
December 31, 2019	27,183	8.4	2,735	19.4	2,763	18.4	1,892	20.7

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥ 1,719 million [ (9.0)%]  
 Nine months ended December 31, 2019: ¥ 1,889 million [ 20.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2020	115.14	-
December 31, 2019	127.02	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2020	30,324	22,569	74.4
March 31, 2020	30,516	21,372	70.0

(Reference) Equity: As of December 31, 2020: ¥ 22,569 million  
 As of March 31, 2020: ¥ 21,372 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	15.00	-	15.00	30.00
Fiscal year ending March 31, 2021	-	20.00	-		
Fiscal year ending March 31, 2021 (Forecast)				20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2021 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	38,500	0.6	3,500	(9.3)	3,540	(9.2)	2,400	(10.1)	161.08

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2020: 14,900,000 shares

March 31, 2020: 14,900,000 shares

2) Total number of treasury shares at the end of the period:

December 31, 2020: 437 shares

March 31, 2020: 395 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 14,899,565 shares

Nine months ended December 31, 2019: 14,899,614 shares

※This Consolidated Financial Report is not subject to audit procedures by certified public accountants or auditing firm.

※The consolidated financial results forecasts are based on information currently available to The Company and on certain assumption deemed to be reasonable. As a result of various factor that may arise in the future, actual results may differ from the Company's forecast.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of December 31,2020
<b>Assets</b>		
Current assets		
Cash and deposits	11,488	11,472
Notes and accounts receivable - trade	8,844	7,017
Electronically recorded monetary claims - operating	94	151
Merchandise	226	493
Work in process	837	2,033
Supplies	2	2
Other	321	727
Total current assets	21,815	21,899
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,048	2,028
Tools, furniture and fixtures, net	328	306
Land	3,861	3,861
Other, net	3	2
Total property, plant and equipment	6,241	6,198
Intangible assets		
Software	81	64
Other	36	33
Total intangible assets	117	98
Investments and other assets		
Investment securities	31	36
Deferred tax assets	1,234	885
Other	1,089	1,219
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	2,341	2,128
Total non-current assets	8,701	8,425
Total assets	30,516	30,324

(Million yen)

	As of March 31,2020	As of December 31,2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,593	2,505
Income taxes payable	730	29
Accrued consumption taxes	548	225
Provision for bonuses	1,023	454
Provision for loss on construction contracts	221	-
Provision for product warranties	-	3
Other	1,671	2,108
Total current liabilities	6,789	5,327
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	2	2
Retirement benefit liability	2,295	2,358
Other	57	67
Total non-current liabilities	2,354	2,428
Total liabilities	9,144	7,755
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	86	86
Retained earnings	15,786	16,978
Treasury shares	(0)	(0)
Total shareholders' equity	21,372	22,564
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	7
Foreign currency translation adjustment	9	8
Remeasurements of defined benefit plans	(12)	(11)
Total accumulated other comprehensive income	0	5
Total net assets	21,372	22,569
Total liabilities and net assets	30,516	30,324

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Net sales	27,183	27,088
Cost of sales	21,904	21,958
Gross profit	5,279	5,130
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	104	108
Corporate officer' compensations	114	144
Salaries and bonuses	1,100	1,098
Retirement benefit expenses	50	45
Welfare expenses	210	215
Communication and transportation expenses	138	76
Outsourcing expenses	151	157
Rent expenses	89	106
Other	583	522
Total selling, general and administrative expenses	2,544	2,474
Operating profit	2,735	2,655
Non-operating income		
Dividend income of insurance	8	11
Subsidy income	9	10
Other	15	13
Total non-operating income	33	35
Non-operating expenses		
Foreign exchange losses	2	2
Loss on cancellation of insurance policies	1	2
Other	0	0
Total non-operating expenses	4	5
Ordinary profit	2,763	2,685
Extraordinary income		
Gain on sales of non-current assets	1	-
Total extraordinary income	1	-
Extraordinary losses		
Loss on retirement of non-current assets	0	45
Loss on sales of non-current assets	4	-
Loss on compensation for damage	-	199
Total extraordinary losses	4	245
Profit before income taxes	2,760	2,440
Income taxes - current	602	380
Income taxes - deferred	265	344
Total income taxes	868	724
Profit	1,892	1,715
Profit attributable to owners of parent	1,892	1,715

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Profit	1,892	1,715
Other comprehensive income		
Valuation difference on available-for-sale securities	1	3
Foreign currency translation adjustment	(6)	(0)
Remeasurements of defined benefit plans, net of tax	0	1
Total other comprehensive income	(3)	4
Comprehensive income	1,889	1,719
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,889	1,719

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,760	2,440
Depreciation	354	361
Increase (decrease) in provision for bonuses	(852)	(568)
Increase (decrease) in provision for loss on construction contracts	62	(221)
Increase (decrease) in retirement benefit liability	85	63
Loss on compensation for damage	-	199
Loss on retirement of non-current assets	0	45
Decrease (increase) in trade receivables	2,548	1,769
Decrease (increase) in inventories	(1,011)	(1,462)
Increase (decrease) in trade payables	(146)	(77)
Increase (decrease) in advances received	(27)	26
Increase (decrease) in accrued consumption taxes	2	(318)
Other, net	(99)	100
Subtotal	3,676	2,358
Income taxes paid	(1,440)	(1,175)
Compensation for damage paid	-	(199)
Other, net	0	0
Net cash provided by (used in) operating activities	2,236	983
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(93)	(252)
Proceeds from sales of property, plant and equipment	15	-
Purchase of intangible assets	(7)	(14)
Payments of leasehold and guarantee deposits	(28)	(155)
Purchase of insurance funds	(15)	(12)
Proceeds from maturity of insurance funds	3	10
Other, net	(82)	(62)
Net cash provided by (used in) investing activities	(206)	(486)
<b>Cash flows from financing activities</b>		
Dividends paid	(477)	(511)
Other, net	(4)	(0)
Net cash provided by (used in) financing activities	(482)	(511)
Effect of exchange rate change on cash and cash equivalents	(6)	(0)
Net increase (decrease) in cash and cash equivalents	1,541	(15)
Cash and cash equivalents at beginning of period	8,402	11,488
Cash and cash equivalents at end of period	9,943	11,472