



**Consolidated Financial Results for the Nine Months Ended June 30, 2023**  
(Under Japanese GAAP)

August 10, 2023

Listed company name: Systemsoft Corporation  
 Listing: Tokyo Stock Exchange  
 Code number: 7527  
 URL: <https://www.systemsoft.co.jp/>  
 Representative: President and Representative Director: Haruki Yoshio  
 Contact person: General Manager, Administration Division: Yasunori Tomita, (TEL) +81 (0)92-732-1515  
 Scheduled date to file quarterly securities report: August 10, 2023  
 Scheduled start date to commence dividend payments: —  
 Preparation of supplementary materials on quarterly financial results: Yes  
 Holding of quarterly financial results briefings: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the nine months ended June 30, 2023  
(From October 1, 2022 to June 30, 2023)

## (1) Consolidated financial results (cumulative)

(% is Year-on-year rate of increase / decrease)

	Net Sales		Operating Income		Ordinary income		Quarterly net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended								
June 30, 2023	2,474	-25.4	39	278.4	9	-74.9	2	—
June 30, 2022	3,314	-6.8	10	-97.0	39	-87.8	-21	—

**Note: Comprehensive income** For the nine months ended, June 30, 2023 ¥ -12 million yen (—%)  
 For the nine months ended, June 30, 2022 ¥ -91 million yen (—%)

	Quarterly Net earnings per share	Quarterly Diluted net earnings per share
Nine months ended	yen	yen
June 30, 2023	0.03	—
June 30, 2022	-0.26	—

## (2) Consolidated financial condition

	Total Assets	Net Assets	Shareholders' equity ratio
Nine months ended	million yen	million yen	%
June 30, 2023	6,651	5,683	84.9
Fiscal year ended			
September 30, 2022	7,224	5,865	80.7

Reference: Equity capital As of June 30, 2023 ¥5,650 million  
 As of September 30, 2022 ¥5,833 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended September 30, 2022	yen —	yen 0.00	yen —	yen 2.00	yen 2.00
Fiscal year ending September 30, 2023	—	0.00	—		
Fiscal year ending September 30, 2023 (Forecast)				—	—

Note: Revision to the forecast of cash dividends most recently announced: None

The year-end dividend for the fiscal year ending September 30, 2023 is undecided at this time.

## 3. Forecast of consolidated financial results for the fiscal year ending September 30, 2023 (October 1, 2022 – September 30, 2023)

(% increase or decrease from the previous year)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	3,800	-19.2	310	-19.0	220	-41.7	110	-45.3	1.31

Note: Revisions to the most recently announced earnings forecasts: None

## \* Notes

(1) Changes in significant subsidiaries during the quarterly consolidated financial statements period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and re-display of amendments

(i) Changes in accounting policies due to revisions to accounting standards: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(Note) For details, please refer to "1. Quarterly consolidated financial statements and key notes (3) Notes on quarterly consolidated financial statements (Change in accounting policy)" on page 8 of the attached materials.

(4) Number of issued shares (common shares)

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

As of June 30, 2023	84,834,140 shares
As of September 30, 2022	84,834,140 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2023	32,067 shares
As of September 30, 2022	31,987 shares

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

Nine months ended June 30, 2023	84,802,092 shares
Nine months ended June 30, 2022	84,676,970 shares

\*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\*Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as each business outlook, described in this document are based on information currently obtained by the Company and certain assumptions that it deems reasonable, and are not to the effect that the Company promises to achieve such results. Actual results may differ materially due to various factors

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## 1. Quarterly consolidated financial statements and key notes

### (1) Quarterly consolidated balance sheet

(Unit: thousand yen)

	Previous consolidated fiscal year (September 30, 2022)	Nine months ended June 30, 2023 (June 30, 2023)
<b>ASSETS</b>		
Current assets		
Cash and deposits	1,949,892	1,703,521
Notes and accounts receivable and contract assets	1,547,341	1,202,687
Work in progress	35,049	59,238
Raw materials and stored products	39	19
Other	492,404	527,078
Allowance for doubtful accounts	-30,084	-30,084
<b>Total current assets</b>	<b>3,994,644</b>	<b>3,462,461</b>
Fixed assets		
Tangible fixed assets		
Building and structures (net)	32,976	32,759
Tools, furniture and fixtures (net)	14,159	12,460
<b>Total tangible fixed assets</b>	<b>47,135</b>	<b>45,220</b>
Intangible fixed assets		
Goodwill	2,069,524	1,968,659
Other intangible fixed assets	341,718	289,384
<b>Total intangible assets</b>	<b>2,411,242</b>	<b>2,258,044</b>
Investments and other assets	771,782	885,725
<b>Total fixed assets</b>	<b>3,230,160</b>	<b>3,188,990</b>
<b>Total assets</b>	<b>7,224,804</b>	<b>6,651,452</b>
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	181,058	140,152
Income taxes payable	84,827	705
Other	509,963	416,590
<b>Total current liabilities</b>	<b>775,849</b>	<b>557,448</b>
Fixed liabilities		
Corporate bond	280,000	210,000
Long-term debt	170,000	80,000
Asset retirement obligations	10,176	10,200
Other	123,114	110,503
<b>Total fixed liabilities</b>	<b>583,290</b>	<b>410,703</b>
<b>Total liabilities</b>	<b>1,359,140</b>	<b>968,152</b>

(Unit: thousand yen)

	Previous consolidated fiscal year (September 30, 2022)	Current nine months ended June 30, 2023 (June 30, 2023)
<b>Equity</b>		
Shareholders' equity		
Capital	1,706,476	1,706,476
Capital surplus	3,712,343	3,542,739
Retained earnings	522,094	524,994
Treasury stock	-8,078	-8,086
<b>Total shareholders' equity</b>	<b>5,932,836</b>	<b>5,766,123</b>
Accumulated other comprehensive income (loss)		
Valuation difference on available-for-sale securities	1,675	-14,461
Exchange conversion adjustment account	-101,032	-101,507
<b>Total accumulated other comprehensive income (loss)</b>	<b>-99,357</b>	<b>-115,969</b>
Stock acquisition rights	24,519	23,948
Non-controlling interests	7,665	9,196
<b>Total net assets</b>	<b>5,865,664</b>	<b>5,683,299</b>
<b>Total liabilities and net assets</b>	<b>7,224,804</b>	<b>6,651,452</b>

(2) Quarterly consolidated statements of income and quarterly consolidated comprehensive income statements

Quarterly Consolidated statement of income

Cumulative period for consolidated third quarter, nine months ended June 30, 2023

(Unit: Thousand yen)

	Previous nine months ended June 30, 2022 (October 1, 2021 to June 30, 2022)	Current nine months ended June 30, 2023 (October 1, 2022 to June 30, 2023)
Sales	3,314,973	2,474,241
Cost of sales	2,584,990	1,814,097
Gross profit	729,982	660,143
Selling, general and administrative expenses	719,503	620,491
Operating income (loss)	10,478	39,652
Non-operating income		
Interest income	274	5
Dividend received	548	624
Foreign exchange gains	67,738	587
Subsidy income	3,203	7,760
Consulting revenue	1,250	—
Other	716	966
Total non-operating income	73,731	9,944
Non-operating expenses		
Interest expenses	11,494	9,948
Payment Fees	14,924	15,177
Other	17,954	14,488
Total non-operating expenses	44,373	39,614
Ordinary income or ordinary loss	39,836	9,981
Extraordinary gains		
Gain on sales of investment securities	4,464	19,709
Gain on reversal of stock acquisition rights	—	570
Total extraordinary gains	4,464	20,280
Extraordinary loss		
Loss on retirement of fixed assets	6,191	680
Loss on sales of investment securities	3,063	4,129
Loss on valuation of investment securities	2,068	—
Loss on store closing	25,357	—
Total extraordinary loss	36,680	4,809
Quarterly net Income before taxes or net loss before adjustments to taxes, etc	7,620	25,452
Corporate tax, municipal tax and business taxes	29,694	21,021
Total corporate taxes, etc.	29,694	21,021
Quarterly net income or quarterly net loss	-22,074	4,430
Quarterly net loss attributable to non-controlling shareholders	-181	1,530
Net income attributable to owners of parent or net loss attributable to owners of parent	-21,892	2,899

Quarterly Consolidated statement of income

Cumulative period for consolidated third quarter, nine months ended June 30, 2023

(Unit: Thousand yen)

	Previous nine months ended June 30, 2022 (October 1, 2021 to June 30, 2022)	Current nine months ended June 30, 2023 (October 1, 2022 to June 30, 2023)
Quarterly net income or loss	-22,074	4,430
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,137	-16,136
Exchange conversion adjustment account	-64,213	-475
Total other comprehensive income	-69,350	-16,611
Quarterly comprehensive income	-91,424	-12,181
(Breakdown)		
Quarterly comprehensive income for owners of parent	-91,243	-13,712
Quarterly comprehensive income for non-controlling shareholders	-181	1,530

### (3) Notes on quarterly consolidated financial statements

#### (Notes on going concern assumptions)

Nothing applicable.

#### (Notes on significant changes in the amount of shareholders' equity)

Nothing applicable.

#### (Change in accounting policy)

##### (Application of accounting standard for revenue recognition)

The new accounting policy prescribed by the "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) is applied from the beginning of the first quarter of the current fiscal year, and the new accounting policy prescribed by the Guidance is applied prospectively in accordance with the transitional treatment prescribed in Section 27-2 of the Guidance on Accounting Standard for Measurement of Fair Value. There is no impact on the quarterly consolidated financial statements.

#### (Information by segment)

##### Segment Information

I. Previous nine months ended, from October 1, 2021 to June 30, 2022, consolidated period

##### 1. Information on the sales, profits or losses per reporting segment

(Unit: Thousand yen)

	Reporting Segment			Other (Note)	Total
	Technology business	Open Innovation Business	Subtotal		
Sales					
Sales to external customers	2,416,637	898,335	3,314,973	—	3,314,973
Sales or transfers inside or between segments	169	27,917	28,086	—	28,086
Subtotal	2,416,807	926,252	3,343,059	—	3,343,059
Segment profit or Loss (-)	116,957	17,487	134,445	-247	134,198

Note: "Other" refers to business segments not included as reporting segments.

##### 2. Difference between the total reported segment amount and the amount recorded in the quarterly consolidated income statement, and the main elements of the difference (related to the adjustment)

(Unit: Thousand yen)

Profit	Amount
Total of reportable segments	134,445
Profit in "Other" segment	-247
Company-wide expenses (Note)	-123,719
Operating income in quarterly consolidated statements of income	10,478

Note: Company-wide expenses are general and administrative expenses that are not primarily attributable to the reporting segment.



II. Current nine months ended, from October 1, 2022 to June 30, 2023, consolidated period

1. Information on the sales, profits or losses per reporting segment

(Unit: Thousand yen)

	Reporting Segment			Other (Note)	Total
	Technology business	Open Innovation Business	Subtotal		
Sales					
Sales to external customers	1,833,989	640,251	2,474,241	—	2,474,241
Sales or transfers inside or between segments	—	318	318	—	318
Subtotal	1,833,989	640,569	2,474,559	—	2,474,559
Segment profit or Loss	190,316	-56,875	133,441	-170	133,270

Note: "Other" refers to business segments not included as reporting segments.

2. Difference between the total reported segment amount and the amount recorded in the quarterly consolidated income statement, and the main elements of the difference (related to the adjustment)

(Unit: Thousand yen)

Sales	Amount
Total of reportable segments	2,474,559
Sales in "Other" segment	—
Elimination of inter-segment transactions	-318
Sales in quarterly consolidated statements of income	2,474,241

(Unit: Thousand yen)

Profit	Amount
Total of reportable segments	133,441
Profit in "Other" segment	-170
Company-wide expenses (Note)	-93,618
Operating income on quarterly consolidated statement of income	39,652

Note: Company-wide expenses are general and administrative expenses that are not primarily attributable to the reporting segment.

2. Other

Nothing applicable.