



**Consolidated Financial Results for the Fiscal Year Ended September 30, 2023**  
(Under Japanese GAAP)

November 11, 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 of the Ordinary General Meeting of Shareholders: December 20, 2023  
 Scheduled date to file annual securities report: December 20, 2023  
 Scheduled start date to commence dividend payments: -  
 Preparation of supplementary materials on annual financial results: Yes  
 Holding of annual financial results briefings: Yes

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

1. Consolidated Financial Results for the fiscal year ended September 30, 2023  
(from October 1, 2022 to September 30, 2023)

## (1) Consolidated financial results (cumulative)

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2023	3,390	-27.9	155	-59.5	135	-64.1	93	-53.4
September 30, 2022	4,704	-4.4	382	1.3	377	10.0	201	-58.4

Note: Comprehensive income For the fiscal year ended, September 30, 2023 ¥86 million (-27.3%)  
 For the fiscal year ended, September 30, 2022 ¥119 million yen (-74.7%)

Fiscal year ended	Net earnings per share	Diluted net earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
September 30, 2023	1.10	—	1.6	1.9	4.6
September 30, 2022	2.37	2.37	3.5	5.1	8.1

## (2) Consolidated financial condition

Fiscal year ended	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
September 30, 2023	6,742	5,782	85.3	67.79
September 30, 2022	7,224	5,865	80.7	68.79

Reference: Shareholders' equity As of September 30, 2023 ¥5,748 million  
 As of September 30, 2022 ¥5,833 million

## (3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
September 30, 2023	253	-61	-379	1,762
September 30, 2022	168	-195	-104	1,949

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	million yen	%	%
September 30, 2022	—	0.00	—	2.00	2.00	169	75.1	2.9
September 30, 2023	—	0.00	—	0.00	0.00	—	—	—
September 30, 2024 (Forecast)	—	—	—	—	—		—	

Note: The source of dividends for the fiscal years ended September 30, 2022 is entirely capital surplus.

For details, please refer to "Breakdown of dividends using capital surplus as the source of dividends" below.

The dividend for the fiscal year ending September 30, 2024 is undetermined at this time.

## 3. Forecast of consolidated financial results for the fiscal year ending September 30, 2024

(October 1, 2023 – September 30, 2024)

(% increase or decrease from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-year	3,000	-11.5	130	-16.2	110	-18.6	65	-30.6	0.76

## \* Notes

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to "3. Consolidated Financial Statements and Key Notes (5) Notes on consolidated financial statements " on page 16 of the attached materials.

(3) Number of issued shares (common shares)

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

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

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

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

(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2023	84,802,087 shares
Fiscal year ended September 30, 2022	84,708,524 shares

## Reference: Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the fiscal year ended September 30, 2023  
(from October 1, 2022 to September 30, 2023)

## (1) Non-Consolidated financial results

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

Fiscal year ended	Net Sales		Operating Income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2023	2,433	-16.4	-89	—	-109	—	-123	—
September 30, 2022	2,909	-2.9	34	—	224	79.0	73	—

Fiscal year ended	Net income per share	Diluted net income per share
September 30, 2023	yen -1.45	yen —
September 30, 2022	yen 0.87	yen 0.86

## (2) Non-Consolidated financial condition

Fiscal year ended	Total Assets	Net Assets	Shareholders' equity ratio	Net assets per share
September 30, 2023	million yen 6,037	million yen 5,290	% 87.2	yen 62.10
September 30, 2022	million yen 6,642	million yen 5,579	% 83.6	yen 65.51

Note: Shareholders' Equity: As of September 30, 2023 ¥5,266 million  
As of September 30, 2022 ¥5,555 million

\*Financial Results reports are exempt from annual 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.

Please refer to "1. Summary of Business Results, etc. (4) Outlook for the future" on page 7 of the attached document for the conditions that form the assumptions for business forecasts and cautions concerning the use of business forecasts.

## Breakdown of dividends using capital surplus as the source of dividends

The following is a breakdown of the dividends for the fiscal year ended September 30, 2022, for which capital surplus is used as the source of dividends.

Reference date	End of term	Total
Dividend per share	2 yen 00 sen	2 yen 00 sen
Total amount of dividends	169 million yen	169 million yen

Note: Ratio of decrease in net assets: 0.032

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## 1. Summary of Business Results, etc.

### (1) Summary of business results for the fiscal year ended September 30, 2023

During the fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023), the Japanese economy showed signs of a pickup in personal consumption due to the reclassification of COVID-19 infections and a recovery in inbound demand. On the other hand, there are still concerns about the impact on the domestic economy due to soaring prices of resources, raw materials, and energy caused by prolonged geopolitical risks from Ukraine and Israel, and the risk of a downturn in the overseas economy due to higher interest rates associated with global inflation, in addition to rising prices due to the weak yen, etc. The outlook remains uncertain.

In the information services industry, to which our group belongs, the DX movement is spreading at an accelerated pace due to progress in new fields such as AI, IoT, and RPA, and this trend is expected to continue. In particular, it is expected that the use of AI, which has made remarkable progress, in business will expand. In the Post Pandemic society of the future, digitalization will become even more important, and solid IT investments are expected to continue.

On the other hand, securing and training on-site engineers and field workers due to the chronic shortage of human resources is a major issue, and the market environment remains severe, including soaring costs.

In this environment, the Company is focusing on proactive recruitment and training of quality engineers, and is working to provide SaaS products and improve the value of services in the overall system development field.

In addition, the Company aims to create new value and increase corporate value by offering DX areas, RPA solutions, open innovation, and adding consulting services such as alliance services and FA (financial advisory).

As a result, net sales for the consolidated fiscal year ended September 30, 2023 decreased by 1,313 million yen (27.9%) year on year to 3,390 million yen, and operating income decreased 227 million yen (59.5%) year on year to 155 million yen. Ordinary income decreased 241 million yen (64.1%) year on year to 135 million yen, and net income attributable to owners of the parent decreased 107 million yen (53.4%) year on year to 93 million yen.

Segment results are as follows.

#### (i) Technology business

With its strength in systems development based on web technology, the company has been providing system development and solution services to clients in the real estate, information and telecommunications, life and non-life insurance, and education fields for many years. In addition to the operation of rental real estate information websites, we also focus on providing SaaS, including RPA solution services and the SS Cloud series.

In the fiscal year ended September 30, 2023, although ongoing projects remained steady, the increase in staffing fell short of plans due to a shortage of human resources, and there were delays in large-scale projects in system development.

As a result, net sales in the technology business decreased 919 million yen (27.5%) year on year to 2,429 million yen, and segment income decreased 98 million yen (29.1%) year on year to 238 million yen.

#### (ii) Open Innovation Business

We provide consulting services to start-up companies on business launches and other matters, incorporating technologies and ideas from different industries and fields, and provide a platform for innovation.

In the fiscal year ended September 30, 2023, both net sales and segment income decreased, partly because some consulting projects were postponed to the next fiscal year or later.

As a result, net sales in the open innovation business decreased 422 million yen (30.5%) year on year to 961 million yen, and segment income decreased 159 million yen (75.8%) year on year to 50 million yen.

(iii) Other business

Subsidiary S2i Inc. is in the business of providing IoT-related products and services.

There were no sales from other businesses (sales of 0 million yen in the same period of the previous year). Segment loss was 0 million yen (segment loss of 0 million yen in the same period of the previous year).

(2) Summary of financial condition

Assets, Liabilities and Net Assets

Current assets as of the fiscal year ended September 30, 2023 were 3,610 million yen, down 384 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 186 million yen in cash and deposits and a decrease of 258 million yen in notes and accounts receivable-trade and contract assets.

Fixed assets decreased by 98 million yen from the end of the previous fiscal year to 3,131 million yen. This was mainly due to a 40 million yen decrease in goodwill and a 52 million yen decrease in investment securities.

As a result, total assets decreased by 482 million yen to 6,742 million yen.

Current liabilities decreased 176 million yen to 599 million yen. This was mainly due to a 38 million yen decrease in notes and accounts payable-trade and a 66 million yen decrease in income taxes payable.

Fixed liabilities decreased by 222 million yen to 360 million yen. This was mainly due to a decrease of 100 million yen in bonds payable and a decrease of 110 million yen in long-term loans payable.

As a result, total liabilities decreased by 399 million yen from the end of the previous consolidated fiscal year to 959 million yen.

Total net assets decreased 83 million yen to 5,782 million yen. The equity ratio was 85.3%, mainly due to a decrease in capital surplus resulting from the payment of dividends from capital surplus and an increase in retained earnings resulting from the recording of net income attributable to owners of the parent.

(3) Summary of cash flows for the fiscal year ended September 30, 2023

Cash and cash equivalents (hereinafter referred to as "cash") for the fiscal year ended September 30, 2023 decreased 186 million yen from the fiscal year ended September 30, 2022 to 1,762 million yen.

The status of each cash flow and their factors during the fiscal year ended September 30, 2023 are as follows.

(Net cash provided by (used in) operating activities)

Net cash increase in operating activities totaled 253 million yen, compared to a 168 million yen increase during the last fiscal year. This was mainly due to a 76 million yen increase in accounts payable and a 24 million yen decrease in consumption tax payable.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities totaled 61 million yen, compared with 195 million yen used in the same period of the previous fiscal year. This was mainly due to a 48 million yen decrease in proceeds from sales of investment securities and a 150 million yen decrease in purchase of investments in subsidiaries resulting in change in scope of consolidation.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities amounted to 379 million yen, compared with 104 million yen used in the same period of the previous year. This was mainly due to a 100 million yen increase in expenditures for repayment of long-term loans payable and a 73 million yen decrease in proceeds from issuance of stock due to exercise of stock acquisition rights.

#### (4) Outlook for the future

With the goal of "driving DX in society through IT technology and innovation," our group is working to become a company that creates new value through the fusion of technology and open innovation.

As for the technology business, although the firm demand for IT engineers is expected to continue, the scale of development has been reduced due to the change of a part of the system development business to consulting in the fiscal year ended September 30, 2023.

Regarding the SS Cloud series in the SaaS business, the number of users is steadily increasing, but we are cautiously projecting the timing and scope of fee-based services.

Based on these circumstances, the Company forecasts net sales of 3,000 million yen, operating income of 130 million yen, ordinary income of 110 million yen, and net income attributable to owners of the parent of the Company of 65 million yen for the next fiscal year.

The above forecasts are based on information currently available to the Company and certain assumptions that are judged to be reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors.

## 2. Basic approach to the selection of accounting standards

Our Group prepares its consolidated financial statements in accordance with Japanese GAAP, as it does not engage in international business development or fundraising.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheet

(Unit: thousand yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
<b>ASSETS</b>		
Current assets		
Cash and deposits	1,949,892	1,762,904
Notes, accounts receivable and contract assets	1,547,341	1,288,811
Work in progress	35,049	23,362
Raw materials and stored products	39	27
Prepaid expenses	200,236	128,726
Other	292,168	436,741
Allowance for doubtful accounts	-30,084	-30,084
Total current assets	3,994,644	3,610,489
Fixed assets		
Tangible fixed assets		
Property, plant and equipment (net)	32,976	32,680
Tools, equipments and fixtures (net)	14,159	11,677
Total tangible fixed assets	47,135	44,358
Intangible fixed assets		
Goodwill	2,069,524	1,935,038
Business right	170,340	130,260
Software	94,064	61,763
Other	77,313	76,982
Total intangible assets	2,411,242	2,204,045
Investments and other assets		
Investment securities	409,531	357,213
Stocks of subsidiaries	137,698	137,698
Other securities of subsidiaries and affiliates	122,984	237,612
Long-term prepaid expenses	12,594	78,617
Deferred tax assets	51,897	35,173
Other	37,076	37,076
Total investments and other assets	771,782	883,390
Total fixed assets	3,230,160	3,131,793
Total assets	7,224,804	6,742,282



(Unit: thousand yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable	181,058	142,624
Bonds due within one year	100,000	100,000
Long-term debt due within one year	120,000	120,000
Accounts payable	99,822	131,009
Accrued expenses	11,657	15,054
Income taxes payable	84,827	18,729
Accrued consumption tax, etc.	43,435	11,299
Advance received	8,990	13,824
Other	126,058	46,913
<b>Total current liabilities</b>	<b>775,849</b>	<b>599,454</b>
<b>Fixed liabilities</b>		
Corporate bonds	280,000	180,000
Long-term debt	170,000	60,000
Long-term accrued liabilities	115,741	105,408
Asset retirement obligations	10,176	10,207
Other	7,372	4,754
<b>Total fixed liabilities</b>	<b>583,290</b>	<b>360,370</b>
<b>Total liabilities</b>	<b>1,359,140</b>	<b>959,824</b>
<b>Equity</b>		
<b>Shareholders' equity</b>		
Capital stock	1,706,476	1,706,476
Capital surplus	3,712,343	3,542,739
Retained earnings	522,094	615,690
Treasury stock	-8,078	-8,086
<b>Total shareholders' equity</b>	<b>5,932,836</b>	<b>5,856,819</b>
<b>Accumulated other comprehensive income (loss)</b>		
Valuation difference on available-for-sale securities	1,675	5,684
Foreign currency translation adjustments	-101,032	-113,622
<b>Total accumulated other comprehensive income (loss)</b>	<b>-99,357</b>	<b>-107,937</b>
Stock acquisition rights	24,519	23,948
Non-controlling interests	7,665	9,627
<b>Total net assets</b>	<b>5,865,664</b>	<b>5,782,458</b>
<b>Total liabilities and net assets</b>	<b>7,224,804</b>	<b>6,742,282</b>

(2) Consolidated Statements of Income and Consolidated Comprehensive Income Statements

Consolidated statement of income

	(Unit: Thousand yen)	
	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Sales	4,704,404	3,390,566
Cost of sales	3,367,906	2,405,611
Gross profit	1,336,498	984,954
Selling, general and administrative expenses	953,761	829,803
Operating income	382,736	155,151
Non-operating income		
Interest income	278	10
Dividend received	3,404	643
Foreign exchange gains	88,205	13,183
Subsidy income	3,316	7,760
Consulting revenue	1,250	-
Other	726	541
Total non-operating income	97,180	22,138
Non-operating expenses		
Interest expenses	17,438	12,087
Loss on valuation of investment securities	-	279
Payment fees	16,753	17,251
Consumption tax difference	912	558
Donation	20,000	400
Reorganization costs	520	-
Allowance for doubtful accounts	24,686	-
Other	22,493	11,498
Total non-operating expenses	102,803	42,075
Ordinary income	377,113	135,214
Extraordinary gains		
Gain on sales of investment securities	4,464	19,709
Gain on reversal of subscription rights to shares	-	570
Total extraordinary gains	4,464	20,280
Extraordinary loss		
Loss on retirement of fixed assets	9,804	680
Loss on impairment of fixed assets	12,063	-
Loss on sales of investment securities	3,063	-
Loss on valuation of investment securities	1,313	-
Loss on store closing	31,470	4,736
Total extraordinary loss	57,714	5,417
Net Income before taxes or net loss before adjustments to taxes, etc	323,864	150,078
Corporate tax, municipal tax and business taxes	111,697	39,566
Adjustment to corporate taxes, etc	11,384	14,955
Total income taxes	123,081	54,521
Net income	200,782	95,556
Net income (loss) attributable to noncontrolling interests	-234	1,961
Net income attributable to owners of parent or net loss attributable to owners of parent	201,017	93,595

Consolidated statements of comprehensive income

(Unit: Thousand yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Net income	200,782	95,556
Other comprehensive income		
Valuation difference on available-for-sale securities	4,198	4,009
Exchange conversion adjustment account	-85,289	-12,589
Total other comprehensive income	-81,091	-8,579
Comprehensive income	119,691	86,977
(Breakdown)		
Comprehensive income for owners of parent	119,926	85,015
Comprehensive income for non-controlling shareholders	-234	1,961

(3) Consolidated Statement of Changes in Shareholders' equity

Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)

(Unit: thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	1,663,904	3,879,259	278,103	-8,064	5,813,203
Cumulative effect of a change in accounting policy			1,693		1,693
Balance at beginning of the period reflecting change in accounting policy	1,663,904	3,879,259	279,797	-8,064	5,814,897
Changes during the period					
Exercise of stock acquisition rights	42,571	42,571			85,143
Dividends from surplus		-168,208			-168,208
Net income attributable to owners of the parent			201,017		201,017
Acquisition of treasury stock				-13	-13
Transfer from capital surplus to retained earnings		-41,279	41,279		—
Changes in items other than shareholders' equity (net)					
Total changes of items during the period	42,571	-166,916	242,297	-13	117,939
Balance at the end of the period	1,706,476	3,712,343	522,094	-8,078	5,932,836

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on other securities	Foreign exchange conversion adjustments	Other comprehensive income cumulative total			
Balance at the beginning of the period	-2,523	-15,743	-18,266	35,686	7,900	5,838,523
Cumulative effect of a change in accounting policy						1,693
Balance at beginning of the period reflecting change in accounting policy	-2,523	-15,743	-18,266	35,686	7,900	5,840,217
Changes during the period						
Exercise of stock acquisition rights						85,143
Dividends from surplus						-168,208
Net income attributable to owners of the parent						201,017
Acquisition of treasury stock						-13
Transfer from capital surplus to retained earnings						—
Changes in items other than shareholders' equity (net)	4,198	-85,289	-81,091	-11,166	-234	-92,492
Total changes of items during the period	4,198	-85,289	-81,091	-11,166	-234	25,446
Balance at the end of the period	1,675	-101,032	-99,357	24,519	7,665	5,865,664

Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)

(Unit: thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	1,706,476	3,712,343	522,094	-8,078	5,932,836
Changes during the period					
Dividends from surplus		-169,604			-169,604
Net income attributable to shareholders of the parent company			93,595		93,595
Acquisition of treasury stock				-8	-8
Changes in items other than shareholders' equity (net)					
Total changes of items during the period	—	-169,604	93,595	-8	-76,017
Balance at the end of the period	1,706,476	3,542,739	615,690	-8,086	5,856,819

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on other securities	Foreign currency translation adjustments	Other comprehensive income Cumulative total			
Balance at the beginning of the period	1,675	-101,032	-99,357	24,519	7,665	5,865,664
Changes during the period						
Dividends from surplus						-169,604
Net income attributable to shareholders of the parent company						93,595
Acquisition of treasury stock						-8
Changes in items other than shareholders' equity (net)	4,009	-12,589	-8,579	-570	1,961	-7,189
Total changes of items during the period	4,009	-12,589	-8,579	-570	1,961	-83,206
Balance at the end of the period	5,684	-113,622	-107,937	23,948	9,627	5,782,458

(4) Consolidated Statements of Cash Flows

	(Unit: thousands of yen)	
	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
<b>Cash flow from operating activities</b>		
Net income before income taxes and minority interests	323,864	150,078
Depreciation	125,055	94,035
Impairment loss	12,063	-
Amortization of goodwill	130,592	134,485
Increase (decrease) in allowance for doubtful accounts	24,686	-
Increase (decrease) in allowance for loss on order received	-4,929	-
Interest and dividends income	-3,682	-653
Interest expense	17,438	12,087
Loss on disposal of fixed assets	9,804	680
Loss (gain) on sales of securities	-1,401	-19,709
Loss (gain) on valuation of securities	1,313	279
Loss on store closures	31,470	4,736
Gain on reversal of subscription rights to shares	-	-570
(Increase) decrease in trade receivables and contract assets	131,386	258,530
(Increase) decrease in inventories	90,098	11,699
Increase (decrease) in notes and accounts payable-trade	-255,234	-38,433
Increase (decrease) in accounts payable-other	-44,920	31,186
Increase (decrease) in accrued consumption taxes	-31,375	-32,136
Foreign exchange loss (gain)	-88,205	-13,183
Other	-150,985	-207,948
Subtotal	317,038	385,164
Interest and dividends received	10,470	2,664
Amount of interest paid	-14,518	-14,495
Income taxes paid or refunded (paid)	-144,484	-119,638
Cash flow from operating activities	168,505	253,695
<b>Cash flow from investment activities</b>		
Payments for acquisition of tangible fixed assets	-16,564	-8,360
Proceeds from sales of tangible fixed assets	-	76
Payments for acquisition of intangible fixed assets	-29,958	-9,532
Payments for acquisition of investment securities	-160,000	-157,500
Proceeds from sales of investment securities	162,779	113,885
Payments for loans receivable	-2,400	-
Proceeds from collection of loans receivable	414	360
Payments for acquisition of shares of non-consolidated subsidiaries	-150,000	-
Cash flow from investment activities	-195,729	-61,070

	(Unit: Thousand yen)	
	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
<b>Cash flow from financial activities</b>		
Repayment of short-term borrowings	-200,000	—
Proceeds from long-term debt	300,000	—
Repayment of long-term debt	-10,000	-110,000
Payments for redemption of bonds	-100,000	-100,000
Dividends paid	-168,208	-169,604
Proceeds from issuance of shares upon exercise of stock acquisition rights	73,977	—
Other	-13	-8
<b>Cash flow from financial activities</b>	<b>-104,244</b>	<b>-379,612</b>
Increase (decrease) in cash and cash equivalents	-131,468	-186,987
Cash and cash equivalents at beginning of period	2,081,361	1,949,892
Cash and cash equivalents at end of period	1,949,892	1,762,904

## (5) Notes on consolidated financial statements

### (Notes on going concern assumptions)

Nothing applicable.

### (Change in accounting policy)

#### (Application of Accounting Standard for Measurement of Fair Value, etc.)

The "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as "Guidance on Accounting Standard for Measurement of Fair Value") The "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) 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 fiscal year ended September 30, 2023, and the new accounting policy prescribed by the Guidance is applied prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Guidance on Accounting Standard for Measurement of Fair Value. There is no impact on the consolidated financial statements.

### (Segment Information, etc.)

[Segment Information]

#### 1 Outline of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Company formulates comprehensive strategies for each of its major services, and its divisional units (units) are responsible for managing these strategies and developing business activities.

Therefore, the Company consists of two reportable segments, "Technology Business" and "Open Innovation Business," which are organized by major services.

The Technology Business mainly provides system development and solution services. The "Open Innovation Business" provides consulting services to startup companies for business launches, etc. and operates shared offices to provide a place for innovation.

#### 2 Calculation method for the amount of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods used for the reported business segments are generally the same as those used in the preparation of the consolidated financial statements. Profits of reportable segments are based on operating income. Intersegment revenues and transfers are based on prevailing market prices.



3 Information on net sales, income or loss, assets and other items by reportable segment

Fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022)

Information on net sales, income or loss, assets and other items by reportable segment

(Unit: thousand yen)

	Reporting Segment			Other*	Total
	Technology business	Open Innovation Business	Subtotal		
<b>Sales</b>					
Sales to external customers	3,348,406	1,355,998	4,704,404	—	4,704,404
Sales or transfers inside or between segments	1,006	28,095	29,101	—	29,101
Subtotal	3,349,412	1,384,093	4,733,505	—	4,733,505
Segment profit or Loss	336,967	210,387	547,354	-314	547,039
Segment assets	4,430,699	2,003,508	6,434,208	16,299	6,450,508
<b>Other items</b>					
Depreciation and amortization	97,480	23,130	120,611	—	120,611
Increase in tangible fixed assets and intangible fixed assets	16,521	18,224	34,745	—	34,745

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

Fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023)

Information on net sales, income or loss, assets and other items by reportable segment

(Unit: thousand yen)

	Reporting Segment			Other*	Total
	Technology Business	Open Innovation Business	Total		
<b>Sales</b>					
Sales to external customers	2,429,624	960,942	3,390,566	—	3,390,566
Sales or transfers inside or between segments	—	318	318	—	318
Subtotal	2,429,624	961,260	3,390,884	—	3,390,884
Segment profit or Loss	238,915	50,896	289,811	-363	289,448
Segment assets	3,858,121	1,980,961	5,839,082	15,766	5,854,849
<b>Other items</b>					
Depreciation and amortization	64,186	22,763	86,950	—	86,950
Increase in tangible fixed assets and intangible fixed assets	1,245	7,620	8,866	—	8,866

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

4 Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements, and main contents of the difference (matters related to difference adjustment)

(Unit: thousand yen)

Sales	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Total of reportable segments	4,733,505	3,390,884
Net sales in "Other" segment	—	—
Elimination of inter-segment transactions	-29,101	-318
Net sales in consolidated financial statements	4,704,404	3,390,566

(Unit: thousand yen)

Profit	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Total of reportable segments	547,354	289,811
Profit in "Other" category	-314	-363
Corporate expenses*	-164,303	-134,297
Operating income in consolidated financial statements	382,736	155,151

Note: "Corporate expenses" are mainly general and administrative expenses that do not belong to any particular reportable segment.

(Unit: thousand yen)

assets	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Total of reportable segments	6,434,208	5,839,082
Assets in the "Other" category	16,299	15,766
Corporate assets*	774,296	887,433
Total assets in consolidated financial statements	7,224,804	6,742,282

Note: "Corporate assets" are mainly head office buildings that do not belong to any reportable segment.

(Unit: thousand yen)

Other items	Total of reportable segments		Other		Adjustment amount		Amount recorded in consolidated financial statements	
	Fiscal year ended Sep 30, 2022	Fiscal year ended Sep 30, 2023r	Fiscal year ended Sep 30, 2022	Fiscal year ended Sep 30, 2023r	Fiscal year ended Sep 30, 2022	Fiscal year ended Sep 30, 2023r	Fiscal year ended Sep 30, 2022	Fiscal year ended Sep 30, 2023r
Depreciation and amortization	120,611	86,950	—	—	4,444	7,084	125,055	94,035
Increase in tangible and intangible fixed assets	34,745	8,866	—	—	11,777	9,026	46,522	17,892

(Per share information)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Net assets per share	68.79 yen	67.79 yen
Net income (loss) per share	2.37 yen	1.10 yen
Net income per share after adjustment of potential shares	2.37 yen	– yen

Note: The basis for calculating net income (loss) per share and diluted net income per share is as follows

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
(1) Net income (loss) per share		
(Basis for calculation)		
Net income (loss) attributable to owners of the parent (thousand yen)	201,017	93,595
Amount not attributable to common shareholders (thousand yen)	–	–
Net income (loss) attributable to owners of the parent attributable to common stock (thousand yen)	201,017	93,595
Average number of shares of common stock during the period (shares)	84,708,524	84,802,087
(2) Net income per share after adjustment for residual securities		
(Basis for calculation)		
Adjustment of net income attributable to owners of the parent (thousand yen)	–	–
Increase in the number of common stocks (shares)	90,640	–
Outline of latent shares not included in the calculation of diluted net income per share due to the absence of dilutive effects	Fourth series of stock acquisition rights (Number of shares: 1,427,300 shares)	Fifth series of stock acquisition rights (Number of shares: 1,496,800 shares)

(Significant subsequent events)

Nothing applicable.