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Non-consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 30, 2023

Company name: TOHO SYSTEM SCIENCE CO.,LTD.

Stock exchange listing: Tokyo

Code number: 4333

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

Representative: TOMOYASU KOSAKA

PRESIDENT, REPRESENTATIVE DIRECTOR

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DIRECTOR,

GENERAL MANAGER, ADMINISTRATION DEPARTMENT

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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 6, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	7,998	6.3	692	(6.6)	696	(6.5)	471	(7.5)
September 30, 2022	7,527	8.8	740	7.9	744	7.9	509	7.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	25.87	-
September 30, 2022	28.05	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	13,074	9,095	69.6	498.27
March 31, 2023	12,813	8,773	68.5	481.52

(Reference) Equity: As of September 30, 2023: ¥ 9,095 million

As of March 31, 2023: ¥ 8,773 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, 2023	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2024	-	20.00			
Fiscal year ending March 31, 2024 (Forecast)			-	20.00	40.00

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

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	16,500	6.8	1,550	2.3	1,558	2.4	1,061	(5.0)	58.16

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

* Notes:

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

(2) 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

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

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

September 30, 2023: 20,798,988 shares

March 31, 2023: 20,798,988 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 2,545,258 shares

March 31, 2023: 2,578,299 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 18,230,578 shares

Six months ended September 30, 2022: 18,176,049 shares

Quarterly Non-consolidated Financial Statements
Quarterly Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	9,128,356	9,492,812
Trade receivables and contract asset	2,156,982	2,033,185
Work in process	258	12,738
Other	87,494	81,820
Allowance for doubtful accounts	(6,474)	(6,102)
Total current assets	11,366,618	11,614,455
Non-current assets		
Property, plant and equipment	96,628	93,966
Intangible assets	44,128	39,589
Investments and other assets		
Investment securities	368,836	468,022
Deferred tax assets	802,627	727,146
Other	139,880	136,838
Allowance for doubtful accounts	(5,675)	(5,675)
Total investments and other assets	1,305,669	1,326,332
Total non-current assets	1,446,427	1,459,888
Total assets	12,813,045	13,074,344
Liabilities		
Current liabilities		
Accounts payable - trade	843,447	842,886
Accounts payable - other	208,182	36,899
Accrued expenses	120,883	171,109
Income taxes payable	222,520	212,972
Provision for bonuses	355,939	367,424
Other	165,979	202,175
Total current liabilities	1,916,952	1,833,468
Non-current liabilities		
Provision for retirement benefits	2,080,773	2,117,807
Other	41,619	27,760
Total non-current liabilities	2,122,393	2,145,567
Total liabilities	4,039,346	3,979,035
Net assets		
Shareholders' equity		
Share capital	526,584	526,584
Capital surplus	600,400	620,426
Retained earnings	8,039,000	8,267,672
Treasury shares	(596,163)	(592,087)
Total shareholders' equity	8,569,821	8,822,595
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	203,877	272,712
Total valuation and translation adjustments	203,877	272,712
Total net assets	8,773,699	9,095,308
Total liabilities and net assets	12,813,045	13,074,344

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	7,527,322	7,998,170
Cost of sales	6,123,175	6,576,241
Gross profit	1,404,147	1,421,929
Selling, general and administrative expenses	663,572	729,928
Operating profit	740,574	692,000
Non-operating income		
Dividend income	2,532	2,771
Commission for insurance office work	407	393
Reversal of allowance for doubtful accounts	176	372
Gain on forfeiture of unclaimed dividends	911	864
Other	-	78
Total non-operating income	4,027	4,480
Ordinary profit	744,602	696,481
Profit before income taxes	744,602	696,481
Income taxes - current	198,142	179,736
Income taxes - deferred	36,634	45,129
Total income taxes	234,776	224,866
Profit	509,826	471,614

Quarterly Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	744,602	696,481
Depreciation	16,883	19,685
Share-based payment expenses	17,549	14,994
Increase (decrease) in provision for retirement benefits	37,521	37,033
Increase (decrease) in allowance for doubtful accounts	(176)	(372)
Increase (decrease) in provision for bonuses	6,297	11,485
Interest and dividend income	(2,532)	(2,771)
Decrease (increase) in trade receivables	57,869	123,797
Decrease (increase) in inventories	(16,143)	(12,479)
Increase (decrease) in trade payables	32,742	(561)
Increase (decrease) in accrued expenses	642	50,226
Increase (decrease) in accrued consumption taxes	(29,607)	2,460
Other, net	(135,731)	(132,882)
Subtotal	729,919	807,095
Interest and dividends received	2,532	2,771
Income taxes paid	(262,534)	(188,444)
Net cash provided by (used in) operating activities	469,917	621,423
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,195)	(6,454)
Purchase of intangible assets	(3,379)	(3,200)
Payments of leasehold deposits	(21,780)	-
Other, net	-	(45)
Net cash provided by (used in) investing activities	(52,355)	(9,701)
Cash flows from financing activities		
Purchase of treasury shares	-	(4,295)
Dividends paid	(182,038)	(242,970)
Net cash provided by (used in) financing activities	(182,038)	(247,265)
Net increase (decrease) in cash and cash equivalents	235,522	364,455
Cash and cash equivalents at beginning of period	8,421,299	9,118,188
Cash and cash equivalents at end of period	8,656,822	9,482,644