

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Non-consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 13, 2024

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

Contact: MASAYO SUNAGA

DIRECTOR, MANAGING EXECUTIVE OFFICER

GENERAL MANAGER, CORPORATE PLANNING DEPARTMENT

Phone: 03 (3868) 6060

Scheduled date of Annual General Meeting of Shareholders: June 21, 2024

Scheduled date of commencing dividend payments: June 24, 2024

Scheduled date of filing annual securities report: June 24, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

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

(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	%
Fiscal year ended								
March 31, 2024	16,280	5.4	1,574	3.9	1,583	4.0	1,082	(3.1)
March 31, 2023	15,446	8.7	1,514	14.1	1,522	13.8	1,116	18.4

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2024	59.32	-	11.9	12.0	9.7
March 31, 2023	61.36	-	13.2	12.2	9.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million

Fiscal year ended March 31, 2023: ¥ - million

(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				
March 31, 2024	13,477	9,365	69.5	513.18
March 31, 2023	12,813	8,773	68.5	481.52

(Reference) Equity: As of March 31, 2024: ¥ 9,365 million

As of March 31, 2023: ¥ 8,773 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2024	1,252	(17)	(615)	9,737
March 31, 2023	1,189	(68)	(424)	9,118

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	20.00	-	20.00	40.00	485	43.5	5.7
March 31, 2024	-	20.00	-	20.00	40.00	730	67.4	8.0
Fiscal year ending								
March 31, 2025 (Forecast)	-	20.00	-	20.00	40.00		61.6	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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
Six months ending September 30, 2024	8,536	6.7	734	6.1	738	6.0	513	8.8	28.07
Full year	17,800	9.3	1,700	8.0	1,710	8.0	1,189	9.9	64.95

* Notes:

(1) 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

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

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

March 31, 2024:	20,798,988 shares
March 31, 2023:	20,798,988 shares

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

March 31, 2024:	2,548,608 shares
March 31, 2023:	2,578,299 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	18,240,991 shares
Fiscal Year ended March 31, 2023:	18,198,308 shares

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	9,128,356	9,747,227
Trade receivables and contract asset	2,156,982	2,183,605
Work in process	258	3,863
Prepaid expenses	85,270	65,677
Other	2,223	15,037
Allowance for doubtful accounts	(6,474)	(6,574)
Total current assets	11,366,618	12,008,837
Non-current assets		
Property, plant and equipment		
Buildings	145,752	149,404
Accumulated depreciation	(72,817)	(79,956)
Buildings, net	72,935	69,447
Tools, furniture and fixtures	90,051	90,471
Accumulated depreciation	(66,359)	(73,623)
Tools, furniture and fixtures, net	23,692	16,847
Total property, plant and equipment	96,628	86,295
Intangible assets		
Software	43,940	33,841
Telephone subscription right	188	188
Other	-	3,037
Total intangible assets	44,128	37,067
Investments and other assets		
Investment securities	368,836	509,948
Long-term prepaid expenses	325	805
Deferred tax assets	802,627	707,690
Leasehold deposits	118,884	111,453
Other	20,671	20,671
Allowance for doubtful accounts	(5,675)	(5,675)
Total investments and other assets	1,305,669	1,344,895
Total non-current assets	1,446,427	1,468,259
Total assets	12,813,045	13,477,096

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	843,447	903,430
Accounts payable - other	208,182	101,905
Accrued expenses	120,883	148,660
Income taxes payable	222,520	279,118
Accrued consumption taxes	132,377	149,322
Deposits received	21,729	60,499
Provision for bonuses	355,939	369,518
Provision for loss on orders received	-	27,664
Other	11,872	12,268
Total current liabilities	1,916,952	2,052,388
Non-current liabilities		
Provision for retirement benefits	2,080,773	2,031,263
Other	41,619	27,760
Total non-current liabilities	2,122,393	2,059,023
Total liabilities	4,039,346	4,111,412
Net assets		
Shareholders' equity		
Share capital	526,584	526,584
Capital surplus		
Legal capital surplus	531,902	531,902
Other capital surplus	68,498	88,524
Total capital surplus	600,400	620,426
Retained earnings		
Legal retained earnings	10,500	10,500
Other retained earnings		
Retained earnings brought forward	8,028,500	8,502,549
Total retained earnings	8,039,000	8,513,049
Treasury shares	(596,163)	(596,184)
Total shareholders' equity	8,569,821	9,063,874
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	203,877	301,809
Total valuation and translation adjustments	203,877	301,809
Total net assets	8,773,699	9,365,684
Total liabilities and net assets	12,813,045	13,477,096

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales		
Sales of software development	15,063,931	15,898,129
Sales of information system service	382,383	382,343
Total net sales	15,446,315	16,280,472
Cost of sales		
Cost of sales of software development	12,363,818	13,071,989
Cost of sales of information system service	299,121	305,437
Total cost of sales	12,662,939	13,377,426
Gross profit	2,783,375	2,903,045
Selling, general and administrative expenses	1,268,406	1,328,259
Operating profit	1,514,968	1,574,786
Non-operating income		
Dividend income	5,167	5,646
Commission for insurance office work	814	769
Dividend income of insurance	331	1,453
Gain on forfeiture of unclaimed dividends	911	808
Other	6	195
Total non-operating income	7,231	8,873
Non-operating expenses		
Loss on retirement of non-current assets	45	245
Other	3	-
Total non-operating expenses	48	245
Ordinary profit	1,522,151	1,583,414
Profit before income taxes	1,522,151	1,583,414
Income taxes - current	418,558	449,592
Income taxes - deferred	(13,027)	51,756
Total income taxes	405,531	501,348
Profit	1,116,619	1,082,065

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings
					Retained earnings brought forward	
Balance at beginning of period	526,584	531,902	44,503	576,405	10,500	7,336,416
Changes during period						
Dividends of surplus						(424,535)
Profit						1,116,619
Purchase of treasury shares						
Disposal of treasury shares			23,995	23,995		
Net changes in items other than shareholders' equity						
Total changes during period	-	-	23,995	23,995	-	692,084
Balance at end of period	526,584	531,902	68,498	600,400	10,500	8,028,500

	Shareholders' equity			Valuation and translation adjustments		Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Total retained earnings					
Balance at beginning of period	7,346,916	(610,372)	7,839,532	283,270	283,270	8,122,803
Changes during period						
Dividends of surplus	(424,535)		(424,535)			(424,535)
Profit	1,116,619		1,116,619			1,116,619
Purchase of treasury shares			-			-
Disposal of treasury shares		14,208	38,204			38,204
Net changes in items other than shareholders' equity				(79,393)	(79,393)	(79,393)
Total changes during period	692,084	14,208	730,288	(79,393)	(79,393)	650,895
Balance at end of period	8,039,000	(596,163)	8,569,821	203,877	203,877	8,773,699

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings
					Retained earnings brought forward	
Balance at beginning of period	526,584	531,902	68,498	600,400	10,500	8,028,500
Changes during period						
Dividends of surplus						(608,017)
Profit						1,082,065
Purchase of treasury shares						
Disposal of treasury shares			20,025	20,025		
Net changes in items other than shareholders' equity						
Total changes during period	-	-	20,025	20,025	-	474,048
Balance at end of period	526,584	531,902	88,524	620,426	10,500	8,502,549

	Shareholders' equity			Valuation and translation adjustments		Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Total retained earnings					
Balance at beginning of period	8,039,000	(596,163)	8,569,821	203,877	203,877	8,773,699
Changes during period						
Dividends of surplus	(608,017)		(608,017)			(608,017)
Profit	1,082,065		1,082,065			1,082,065
Purchase of treasury shares		(8,393)	(8,393)			(8,393)
Disposal of treasury shares		8,372	28,397			28,397
Net changes in items other than shareholders' equity				97,932	97,932	97,932
Total changes during period	474,048	(20)	494,053	97,932	97,932	591,985
Balance at end of period	8,513,049	(596,184)	9,063,874	301,809	301,809	9,365,684

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,522,151	1,583,414
Depreciation	37,969	40,438
Share-based payment expenses	36,461	29,193
Increase (decrease) in provision for retirement benefits	14,554	(49,510)
Increase (decrease) in allowance for doubtful accounts	48	100
Increase (decrease) in provision for bonuses	9,012	13,578
Increase (decrease) in provision for loss on orders received	-	27,664
Interest and dividend income	(5,167)	(5,647)
Loss on retirement of non-current assets	45	245
Decrease (increase) in trade receivables	(16,167)	(26,622)
Decrease (increase) in inventories	285	(3,604)
Increase (decrease) in trade payables	67,418	59,982
Increase (decrease) in accrued expenses	2,871	27,777
Increase (decrease) in accrued consumption taxes	3,959	16,945
Other, net	2,975	(69,910)
Subtotal	1,676,416	1,644,044
Interest and dividends received	5,167	5,647
Income taxes paid	(492,132)	(397,439)
Net cash provided by (used in) operating activities	1,189,452	1,252,252
Cash flows from investing activities		
Purchase of property, plant and equipment	(43,488)	(8,969)
Purchase of intangible assets	(3,081)	(8,216)
Payments of leasehold deposits	(21,780)	-
Other, net	(0)	(291)
Net cash provided by (used in) investing activities	(68,350)	(17,477)
Cash flows from financing activities		
Purchase of treasury shares	-	(8,393)
Dividends paid	(424,212)	(607,511)
Net cash provided by (used in) financing activities	(424,212)	(615,904)
Net increase (decrease) in cash and cash equivalents	696,889	618,870
Cash and cash equivalents at beginning of period	8,421,299	9,118,188
Cash and cash equivalents at end of period	9,118,188	9,737,059