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Non-consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 31, 2022

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

EXECUTIVE OFFICER

MANAGER OF GENERAL AFFAIRS DEPARTMENT

Contact: HIROEI YOSHIDA

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Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: December 06, 2022

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, 2022 (April 01, 2022 to September 30, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	7,527	8.8	740	7.9	744	7.9	509	7.3
September 30, 2021	6,916	23.0	686	64.9	690	63.6	474	64.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	42.07	-
September 30, 2021	39.32	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2022	12,304	8,450	68.7	695.65
March 31, 2022	12,131	8,122	67.0	670.96

(Reference) Equity: As of September 30, 2022: ¥ 8,450 million

As of March 31, 2022: ¥ 8,122 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, 2022	-	15.00	-	15.00	30.00
Fiscal year ending March 31, 2023	-	20.00			
Fiscal year ending March 31, 2023 (Forecast)			-	15.00	35.00

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

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	15,000	5.6	1,370	3.2	1,378	3.0	953	1.1	78.55

(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, 2022: 13,865,992 shares

March 31, 2022: 13,865,992 shares

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

September 30, 2022: 1,718,866 shares

March 31, 2022: 1,759,814 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 12,117,366 shares

Six months ended September 30, 2021: 12,080,376 shares

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

(Thousand yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	8,431,467	8,666,989
Trade receivables and contract asset	2,140,815	2,082,945
Work in process	544	16,687
Other	82,465	89,483
Allowance for doubtful accounts	(6,426)	(6,250)
Total current assets	10,648,866	10,849,856
Non-current assets		
Property, plant and equipment	71,290	103,774
Intangible assets	54,558	51,001
Investments and other assets		
Investment securities	483,235	426,934
Deferred tax assets	754,593	735,187
Other	124,643	143,821
Allowance for doubtful accounts	(5,675)	(5,675)
Total investments and other assets	1,356,798	1,300,268
Total non-current assets	1,482,647	1,455,044
Total assets	12,131,513	12,304,901
Liabilities		
Current liabilities		
Accounts payable - trade	776,029	808,772
Accounts payable - other	192,834	52,700
Accrued expenses	118,011	118,654
Income taxes payable	293,109	228,232
Provision for bonuses	346,927	353,224
Other	159,713	133,542
Total current liabilities	1,886,625	1,695,127
Non-current liabilities		
Provision for retirement benefits	2,066,219	2,103,740
Other	55,865	55,865
Total non-current liabilities	2,122,084	2,159,606
Total liabilities	4,008,710	3,854,733
Net assets		
Shareholders' equity		
Share capital	526,584	526,584
Capital surplus	576,405	600,400
Retained earnings	7,346,916	7,675,149
Treasury shares	(610,372)	(596,163)
Total shareholders' equity	7,839,532	8,205,970
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	283,270	244,197
Total valuation and translation adjustments	283,270	244,197
Total net assets	8,122,803	8,450,167
Total liabilities and net assets	12,131,513	12,304,901

Quarterly Non-consolidated Statements of Income

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

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	6,916,220	7,527,322
Cost of sales	5,615,499	6,123,175
Gross profit	1,300,720	1,404,147
Selling, general and administrative expenses	614,564	663,572
Operating profit	686,156	740,574
Non-operating income		
Dividend income	2,284	2,532
Commission for insurance office work	436	407
Reversal of allowance for doubtful accounts	73	176
Gain on forfeiture of unclaimed dividends	1,123	911
Total non-operating income	3,917	4,027
Non-operating expenses		
Loss on retirement of non-current assets	10	-
Total non-operating expenses	10	-
Ordinary profit	690,063	744,602
Profit before income taxes	690,063	744,602
Income taxes - current	211,556	198,142
Income taxes - deferred	3,543	36,634
Total income taxes	215,099	234,776
Profit	474,964	509,826

Quarterly Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	690,063	744,602
Depreciation	22,881	16,883
Share-based payment expenses	15,360	17,549
Increase (decrease) in provision for retirement benefits	63,347	37,521
Increase (decrease) in allowance for doubtful accounts	(73)	(176)
Increase (decrease) in provision for bonuses	3,010	6,297
Increase (decrease) in provision for product warranties	(8,200)	-
Interest and dividend income	(2,284)	(2,532)
Loss on retirement of non-current assets	10	-
Decrease (increase) in trade receivables	25,497	57,869
Decrease (increase) in inventories	(34,656)	(16,143)
Increase (decrease) in trade payables	43,113	32,742
Increase (decrease) in accrued expenses	1,528	642
Increase (decrease) in accrued consumption taxes	(63,011)	(29,607)
Other, net	(81,927)	(135,731)
Subtotal	674,660	729,919
Interest and dividends received	2,284	2,532
Income taxes paid	(273,970)	(262,534)
Net cash provided by (used in) operating activities	402,974	469,917
Cash flows from investing activities		
Purchase of property, plant and equipment	(128)	(27,195)
Purchase of intangible assets	(30,304)	(3,379)
Payments of leasehold deposits	-	(21,780)
Net cash provided by (used in) investing activities	(30,432)	(52,355)
Cash flows from financing activities		
Dividends paid	(300,869)	(182,038)
Net cash provided by (used in) financing activities	(300,869)	(182,038)
Net increase (decrease) in cash and cash equivalents	71,672	235,522
Cash and cash equivalents at beginning of period	8,000,659	8,421,299
Cash and cash equivalents at end of period	8,072,331	8,656,822