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July 27, 2023

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

Company name: Systema Corporation  
 Listing: Tokyo Stock Exchange  
 Securities code: 2317  
 URL: <https://www.systema.co.jp/>  
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 Scheduled date to file quarterly securities report: August 8, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	18,734	6.3	1,909	4.8	1,781	(5.2)	1,220	(5.0)
June 30, 2022	17,627	15.0	1,821	3.8	1,879	10.4	1,285	12.3

Note: Comprehensive income For the three months ended June 30, 2023: ¥1,352 million [0.3%]  
 For the three months ended June 30, 2022: ¥1,348 million [17.0%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	3.15	–
June 30, 2022	3.32	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2023	46,644	34,446	72.9	87.71
March 31, 2023	48,879	34,650	69.9	88.19

Reference: Equity

As of June 30, 2023: ¥33,981 million  
 As of March 31, 2023: ¥34,168 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	4.00	–	4.00	8.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		5.00	–	5.00	10.00

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

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	80,386	7.9	10,610	7.8	10,644	6.9	7,233	(1.1)	18.67

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

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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 restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (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	450,880,000 shares
As of March 31, 2023	450,880,000 shares

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

As of June 30, 2023	63,439,188 shares
As of March 31, 2023	63,439,188 shares

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

Three months ended June 30, 2023	387,440,812 shares
Three months ended June 30, 2022	387,396,212 shares

Note: The Company has introduced a stock compensation plan, and in calculating the number of treasury shares of common shares at the end of the period and the average number of shares outstanding during the period, the number of treasury shares includes shares of the Company held by Japan Custody Bank, Ltd. (the Trust Account) as trust assets for the “Trust for Granting Shares to Directors” and the “Trust for Granting Shares to Executive Officers.” The number of treasury shares held by the Trust Account included in the number of treasury shares at the end of the period ended June 30, 2023 and March 31, 2023 were 1,567,700 shares, and the number of treasury shares held by the Trust Account excluded from the calculation of the average number of shares outstanding during the three months ended June 30, 2023 and three months ended June 30, 2022 is as follows: the average number of treasury shares of common shares held by the Trust Account for the three months ended June 30, 2023 and three months ended June 30, 2022 were 1,567,700 shares and 1,622,086 shares, respectively.

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

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

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors.

## Quarterly consolidated financial statements

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	25,033	24,707
Notes and accounts receivable - trade, and contract assets	14,999	13,458
Merchandise	1,501	1,355
Work in process	–	0
Other	743	807
Allowance for doubtful accounts	(2)	(1)
Total current assets	42,275	40,326
Non-current assets		
Property, plant and equipment		
Buildings, net	743	728
Tools, furniture and fixtures, net	745	718
Land	97	97
Construction in progress	–	1
Other, net	35	32
Total property, plant and equipment	1,622	1,578
Intangible assets		
Software	310	288
Software in progress	4	14
Other	3	3
Total intangible assets	317	305
Investments and other assets		
Investment securities	2,136	2,274
Long-term loans receivable from subsidiaries and associates	538	549
Leasehold and guarantee deposits	1,588	1,578
Deferred tax assets	905	546
Other	33	33
Allowance for doubtful accounts	(538)	(549)
Total investments and other assets	4,663	4,433
Total non-current assets	6,603	6,317
Total assets	48,879	46,644

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,096	5,263
Short-term borrowings	1,550	1,550
Accounts payable - other, and accrued expenses	2,459	2,617
Income taxes payable	1,524	336
Provision for bonuses	1,460	763
Provision for loss on orders received	–	38
Other	997	1,477
Total current liabilities	14,088	12,047
Non-current liabilities		
Provision for share-based payments	114	122
Other	26	26
Total non-current liabilities	140	149
Total liabilities	14,228	12,197
Net assets		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus	6,023	6,023
Retained earnings	31,709	31,373
Treasury shares	(5,022)	(5,022)
Total shareholders' equity	34,223	33,887
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(91)	(1)
Foreign currency translation adjustment	36	94
Total accumulated other comprehensive income	(54)	93
Non-controlling interests	481	465
Total net assets	34,650	34,446
Total liabilities and net assets	48,879	46,644

**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**

**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	17,627	18,734
Cost of sales	13,400	14,397
Gross profit	4,226	4,336
Selling, general and administrative expenses	2,405	2,427
Operating profit	1,821	1,909
Non-operating income		
Interest income	5	8
Dividend income	0	2
Gain on sale of investment securities	14	–
Share of profit of entities accounted for using equity method	13	12
Subsidy income	3	17
Other	23	17
Total non-operating income	61	58
Non-operating expenses		
Interest expenses	1	1
Loss on sale of investment securities	–	183
Other	1	1
Total non-operating expenses	3	187
Ordinary profit	1,879	1,781
Profit before income taxes	1,879	1,781
Income taxes - current	340	258
Income taxes - deferred	262	318
Total income taxes	603	577
Profit	1,276	1,204
Loss attributable to non-controlling interests	(8)	(15)
Profit attributable to owners of parent	1,285	1,220

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,276	1,204
Other comprehensive income		
Valuation difference on available-for-sale securities	0	90
Foreign currency translation adjustment	92	74
Share of other comprehensive income of entities accounted for using equity method	(21)	(17)
Total other comprehensive income	71	148
Comprehensive income	1,348	1,352
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,356	1,368
Comprehensive income attributable to non-controlling interests	(8)	(15)