

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2024 (Based on Japanese GAAP)

August 14, 2024

Company name: D.I.System Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4421 URL <https://www.di-system.co.jp/>
 Representative: Representative Director and Chairman Mitsuhiro Nagata
 Director, General Manager of Corporate Planning Headquarters Yutaka Otsuka
 Inquiries: TEL 03(6821)6122
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2024 (from October 1, 2023 to June 30, 2024)

(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	%
Nine months ended June 30, 2024	5,131	10.1	280	(9.4)	279	(9.4)	183	(9.4)
Nine months ended June 30, 2023	4,660	16.6	310	49.5	308	49.4	202	54.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2024	62.94		62.81	
Nine months ended June 30, 2023	69.49		69.34	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	3,046	1,378	45.2
As of September 30, 2023	2,773	1,260	45.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2023	–	0.00	–	22.00	22.00
Year ending September 30, 2024	–	0.00	–		
Year ending September 30, 2024 (Forecast)				24.00	24.00

3. Forecast of consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,900	10.6	342	0.4	340	0.4	229	(4.9)	78.81

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2024	3,058,000 shares	As of September 30, 2023	3,058,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	150,297 shares	As of September 30, 2023	150,297 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2024	2,907,703 shares	Nine months ended June 30, 2023	2,907,234 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	1,104,251	1,212,618
Accounts receivable - trade, and contract assets	829,866	934,270
Merchandise	59	4,630
Work in process	9,949	5,538
Other	112,721	104,979
Total current assets	2,056,848	2,262,037
Non-current assets		
Property, plant and equipment	131,328	147,619
Intangible assets		
Goodwill	203,377	185,477
Other	25,219	34,073
Total intangible assets	228,596	219,551
Investments and other assets		
Deferred tax assets	185,920	228,179
Other	170,654	189,481
Total investments and other assets	356,575	417,660
Total non-current assets	716,500	784,831
Total assets	2,773,349	3,046,868
Liabilities		
Current liabilities		
Accounts payable - trade	200,184	262,624
Current portion of long-term borrowings	66,620	66,620
Accrued expenses	186,325	435,667
Income taxes payable	83,296	92,440
Contract liabilities	193,384	213,323
Provision for bonuses	254,610	128,217
Other	232,433	199,566
Total current liabilities	1,216,855	1,398,459
Non-current liabilities		
Long-term borrowings	58,430	8,465
Retirement benefit liability	237,235	259,177
Other	—	2,354
Total non-current liabilities	295,665	269,997
Total liabilities	1,512,521	1,668,456
Net assets		
Shareholders' equity		
Share capital	291,390	291,390
Capital surplus	215,390	215,390
Retained earnings	876,261	995,315
Treasury shares	(134,863)	(134,863)
Total shareholders' equity	1,248,178	1,367,232
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	12,650	11,179
Total accumulated other comprehensive income	12,650	11,179
Total net assets	1,260,828	1,378,412
Total liabilities and net assets	2,773,349	3,046,868

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	4,660,532	5,131,020
Cost of sales	3,628,578	4,105,040
Gross profit	1,031,953	1,025,979
Selling, general and administrative expenses	721,910	745,138
Operating profit	310,043	280,840
Non-operating income		
Interest income	4	11
Total non-operating income	4	11
Non-operating expenses		
Interest expenses	1,129	881
Total non-operating expenses	1,129	881
Ordinary profit	308,919	279,971
Profit before income taxes	308,919	279,971
Income taxes - current	137,057	138,557
Income taxes - deferred	(30,168)	(41,609)
Total income taxes	106,889	96,948
Profit	202,030	183,023
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	202,030	183,023

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Profit	202,030	183,023
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(443)	(1,470)
Total other comprehensive income	(443)	(1,470)
Comprehensive income	201,586	181,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	201,586	181,553
Comprehensive income attributable to non-controlling interests	—	—