

Translation

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

November 11, 2024

Company name: Densan System Holdings Co., Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 4072 URL <https://www.ds-hd.co.jp/>  
 Representative: President, Representative Director Kobayashi Ryoji  
 Inquiries: Corporate Officer & Unit Leader Yanagihara Kazumoto TEL 058-279-3456  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 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 September 30, 2024	45,106	2.1	1,461	(52.2)	1,622	(48.0)	847	(59.2)
Nine months ended September 30, 2023	44,159	16.2	3,056	65.3	3,119	47.9	2,075	49.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2024	79.66	–
Nine months ended September 30, 2023	193.97	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	69,400	21,326	30.4
As of December 31, 2023	57,051	20,774	36.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	–	18.00	–	19.00	37.00
Year ending December 31, 2024	–	20.00	–		
Year ending December 31, 2024 (Forecast)				40.00	60.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 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	61,200	2.7	2,300	(42.0)	2,470	(38.5)	1,410	(29.6)	130.62

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended September 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 September 30, 2024	10,795,550 shares	As of December 31, 2023	10,792,973 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	143,521 shares	As of December 31, 2023	171,298 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2024	10,637,261 shares	Nine months ended September 30, 2023	10,698,710 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	15,912	17,949
Money held in trust	15,250	24,012
Notes and accounts receivable - trade, and contract assets	10,235	11,007
Merchandise and finished goods	588	548
Work in process	315	749
Prepaid expenses	5,254	5,813
Other	695	758
Allowance for doubtful accounts	(24)	(10)
Total current assets	48,228	60,829
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,364	1,297
Land	791	791
Other, net	688	654
Total property, plant and equipment	2,843	2,743
Intangible assets		
Goodwill	604	489
Customer-related assets	645	526
Technical assets	159	-
Software	763	809
Software in progress	205	171
Other	0	0
Total intangible assets	2,378	1,997
Investments and other assets		
Investment securities	2,685	2,609
Deferred tax assets	452	784
Guarantee deposits	401	393
Other	118	129
Allowance for doubtful accounts	(58)	(87)
Total investments and other assets	3,600	3,830
Total non-current assets	8,822	8,570
Total assets	57,051	69,400

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	4,464	5,017
Short-term borrowings	–	2,600
Current portion of bonds payable	7	7
Current portion of long-term borrowings	338	236
Income taxes payable	800	269
Contract liabilities	7,585	8,851
Deposits received of storage agency	18,231	26,033
Provision for bonuses	87	421
Provision for bonuses for directors (and other officers)	31	38
Provision for loss on orders received	224	905
Provision for shareholder benefit program	39	–
Other	2,143	1,938
<b>Total current liabilities</b>	<b>33,953</b>	<b>46,319</b>
<b>Non-current liabilities</b>		
Bonds payable	22	15
Long-term borrowings	1,159	939
Deferred tax liabilities	278	182
Provision for retirement benefits for directors (and other officers)	430	220
Retirement benefit liability	113	117
Asset retirement obligations	25	26
Other	294	253
<b>Total non-current liabilities</b>	<b>2,323</b>	<b>1,754</b>
<b>Total liabilities</b>	<b>36,277</b>	<b>48,073</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,489	2,496
Capital surplus	2,628	2,628
Retained earnings	15,893	16,319
Treasury shares	(540)	(452)
<b>Total shareholders' equity</b>	<b>20,471</b>	<b>20,992</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	106	115
Deferred gains or losses on hedges	(1)	–
<b>Total accumulated other comprehensive income</b>	<b>105</b>	<b>115</b>
<b>Non-controlling interests</b>	<b>197</b>	<b>218</b>
<b>Total net assets</b>	<b>20,774</b>	<b>21,326</b>
<b>Total liabilities and net assets</b>	<b>57,051</b>	<b>69,400</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales	44,159	45,106
Cost of sales	35,974	38,393
Gross profit	8,185	6,713
Selling, general and administrative expenses	5,129	5,252
Operating profit	3,056	1,461
Non-operating income		
Interest income	0	3
Dividend income	20	107
Commission income	23	25
Gain on sale of non-current assets	4	1
Gain on investments in investment partnerships	–	1
Gain on valuation of derivatives	52	–
Debt prescripton profit	6	5
Gain on sale of businesses	–	50
Other	3	18
Total non-operating income	111	213
Non-operating expenses		
Interest expenses	7	9
Commission expenses	0	0
Share of loss of entities accounted for using equity method	6	12
Loss on investments in investment partnerships	3	–
Loss on investments in silent partnerships	1	0
Foreign exchange losses	24	2
Loss on valuation of derivatives	–	19
Other	4	7
Total non-operating expenses	48	52
Ordinary profit	3,119	1,622
Extraordinary losses		
Impairment losses	–	245
Loss on valuation of investment securities	–	87
Total extraordinary losses	–	333
Profit before income taxes	3,119	1,289
Income taxes - current	1,217	862
Income taxes - deferred	(186)	(442)
Total income taxes	1,031	419
Profit	2,087	869
Profit attributable to non-controlling interests	12	22
Profit attributable to owners of parent	2,075	847

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	2,087	869
Other comprehensive income		
Valuation difference on available-for-sale securities	120	6
Deferred gains or losses on hedges	2	1
Share of other comprehensive income of entities accounted for using equity method	–	2
Total other comprehensive income	122	9
Comprehensive income	2,210	879
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,197	857
Comprehensive income attributable to non-controlling interests	12	22