

Translation

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## Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 10, 2025

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 of ordinary general meeting of shareholders: March 25, 2025  
 Scheduled date to file Securities Report: March 26, 2025  
 Scheduled date to commence dividend payments: March 26, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results

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	%
Year ended December 31, 2024	61,256	2.8	2,311	(41.7)	2,534	(36.9)	1,850	(7.7)
Year ended December 31, 2023	59,591	11.4	3,964	16.1	4,018	12.0	2,004	(14.7)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	173.88	–	8.7	4.3	3.8
Year ended December 31, 2023	187.71	–	10.0	6.2	6.7

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	61,747	22,294	35.8	2,071.18
As of December 31, 2023	57,051	20,774	36.1	1,937.23

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	3,021	239	(765)	15,324
Year ended December 31, 2023	5,506	(852)	(941)	12,816

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	–	18.00	–	19.00	37.00	399	19.7	2.0
Year ended December 31, 2024	–	20.00	–	40.00	60.00	647	34.5	3.0
Year ending December 31, 2025 (Forecast)	–	40.00	–	40.00	80.00		33.8	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

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	67,500	10.2	3,500	51.4	3,530	39.3	2,530	36.7	236.82

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended December 31, 2024: No
- (2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 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 December 31, 2024	133,421 shares	As of December 31, 2023	171,298 shares
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Average number of shares during the period

Year ended December 31, 2024	10,642,584 shares	Year ended December 31, 2023	10,678,478 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	15,912	19,279
Money held in trust	15,250	15,531
Notes receivable - trade	125	127
Accounts receivable - trade	8,415	8,734
Contract assets	1,694	2,302
Merchandise and finished goods	588	660
Work in process	315	398
Prepaid expenses	5,254	6,016
Other	695	838
Allowance for doubtful accounts	(24)	(12)
Total current assets	48,228	53,876
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,364	1,268
Land	791	791
Other, net	688	658
Total property, plant and equipment	2,843	2,718
Intangible assets		
Goodwill	604	461
Customer-related assets	645	513
Technical assets	159	-
Software	763	705
Software in progress	205	64
Other	0	0
Total intangible assets	2,378	1,745
Investments and other assets		
Investment securities	2,685	2,355
Deferred tax assets	452	635
Guarantee deposits	401	393
Other	118	104
Allowance for doubtful accounts	(58)	(82)
Total investments and other assets	3,600	3,407
Total non-current assets	8,822	7,870
Total assets	57,051	61,747

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	4,464	5,072
Current portion of bonds payable	7	7
Current portion of long-term borrowings	338	206
Income taxes payable	800	455
Contract liabilities	7,585	9,228
Deposits received of storage agency	18,231	19,370
Provision for bonuses	87	87
Provision for bonuses for directors (and other officers)	31	23
Provision for loss on orders received	224	899
Provision for shareholder benefit program	39	46
Other	2,143	2,404
Total current liabilities	33,953	37,804
Non-current liabilities		
Bonds payable	22	15
Long-term borrowings	1,159	846
Deferred tax liabilities	278	177
Provision for retirement benefits for directors (and other officers)	430	208
Retirement benefit liability	113	121
Asset retirement obligations	25	26
Other	294	252
Total non-current liabilities	2,323	1,648
Total liabilities	36,277	39,452
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,489	2,496
Capital surplus	2,628	2,628
Retained earnings	15,893	17,323
Treasury shares	(540)	(420)
Total shareholders' equity	20,471	22,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	106	55
Deferred gains or losses on hedges	(1)	—
Total accumulated other comprehensive income	105	55
Non-controlling interests	197	211
Total net assets	20,774	22,294
Total liabilities and net assets	57,051	61,747

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	59,591	61,256
Cost of sales	48,995	51,968
Gross profit	10,595	9,287
Selling, general and administrative expenses	6,631	6,975
Operating profit	3,964	2,311
Non-operating income		
Interest income	0	13
Dividend income	36	124
Commission income	35	34
Gain on sale of non-current assets	4	1
Gain on investments in investment partnerships	–	1
Gain on valuation of derivatives	18	1
Debt prescripion profit	9	8
Gain on sale of businesses	–	50
Other	8	28
Total non-operating income	114	264
Non-operating expenses		
Interest expenses	11	14
Loss on sale of non-current assets	–	6
Commission expenses	0	0
Share of loss of entities accounted for using equity method	13	16
Loss on investments in investment partnerships	3	–
Loss on investments in silent partnerships	1	0
Foreign exchange losses	22	0
Other	6	2
Total non-operating expenses	59	40
Ordinary profit	4,018	2,534
Extraordinary income		
Gain on sale of investment securities	–	641
Total extraordinary income	–	641
Extraordinary losses		
Impairment losses	421	456
Loss on valuation of investment securities	429	92
Total extraordinary losses	851	549
Profit before income taxes	3,167	2,626
Income taxes - current	1,342	1,031
Income taxes - deferred	(190)	(269)
Total income taxes	1,152	761
Profit	2,015	1,865
Profit attributable to non-controlling interests	10	14
Profit attributable to owners of parent	2,004	1,850

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	2,015	1,865
Other comprehensive income		
Valuation difference on available-for-sale securities	65	(50)
Deferred gains or losses on hedges	0	1
Total other comprehensive income	66	(49)
Comprehensive income	2,081	1,815
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,070	1,800
Comprehensive income attributable to non-controlling interests	10	14

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,482	2,656	14,277	(0)	19,416
Changes during period					
Issuance of new shares - restricted stock	6				6
Dividends of surplus			(388)		(388)
Profit attributable to owners of parent			2,004		2,004
Purchase of treasury shares				(599)	(599)
Disposal of treasury shares				59	59
Purchase of shares of consolidated subsidiaries		(27)			(27)
Net changes in items other than shareholders' equity					
Total changes during period	6	(27)	1,616	(540)	1,055
Balance at end of period	2,489	2,628	15,893	(540)	20,471

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	40	(1)	39	209	19,665
Changes during period					
Issuance of new shares - restricted stock					6
Dividends of surplus					(388)
Profit attributable to owners of parent					2,004
Purchase of treasury shares					(599)
Disposal of treasury shares					59
Purchase of shares of consolidated subsidiaries					(27)
Net changes in items other than shareholders' equity	65	0	66	(12)	53
Total changes during period	65	0	66	(12)	1,108
Balance at end of period	106	(1)	105	197	20,774

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,489	2,628	15,893	(540)	20,471
Changes during period					
Issuance of new shares - restricted stock	6				6
Dividends of surplus			(420)		(420)
Profit attributable to owners of parent			1,850		1,850
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				120	120
Purchase of shares of consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes during period	6	–	1,429	120	1,556
Balance at end of period	2,496	2,628	17,323	(420)	22,027

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	106	(1)	105	197	20,774
Changes during period					
Issuance of new shares - restricted stock					6
Dividends of surplus					(420)
Profit attributable to owners of parent					1,850
Purchase of treasury shares					(0)
Disposal of treasury shares					120
Purchase of shares of consolidated subsidiaries					–
Net changes in items other than shareholders' equity	(50)	1	(49)	14	(35)
Total changes during period	(50)	1	(49)	14	1,520
Balance at end of period	55	–	55	211	22,294



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,167	2,626
Depreciation	660	780
Impairment losses	421	456
Amortization of goodwill	173	116
Increase (decrease) in allowance for doubtful accounts	33	12
Increase (decrease) in provision for bonuses	71	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	4	(7)
Increase (decrease) in provision for loss on orders received	143	675
Increase (decrease) in provision for shareholder benefit program	(0)	7
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(15)	(221)
Increase (decrease) in retirement benefit liability	7	8
Interest and dividend income	(37)	(138)
Interest expenses	11	14
Loss (gain) on valuation of derivatives	(18)	(1)
Share of loss (profit) of entities accounted for using equity method	13	16
Foreign exchange losses (gains)	1	(12)
Loss (gain) on investments in investment partnerships	3	(1)
Loss (gain) on valuation of investment securities	429	92
Loss (gain) on sale of investment securities	–	(641)
Loss (gain) on sale of non-current assets	(4)	4
Decrease (increase) in accounts receivable - trade, and contract assets	269	(952)
Decrease (increase) in inventories	449	(154)
Decrease (increase) in prepaid expenses	(1,220)	(762)
Increase (decrease) in trade payables	(73)	608
Increase (decrease) in accounts payable - other	(412)	403
Increase (decrease) in contract liabilities	1,980	1,643
Decrease (increase) in other current assets	199	(33)
Increase (decrease) in other current liabilities	357	(145)
Other, net	31	(39)
Subtotal	6,649	4,354
Interest and dividends received	38	41
Interest paid	(11)	(14)
Income taxes paid	(1,169)	(1,359)
Net cash provided by (used in) operating activities	5,506	3,021

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from investing activities		
Payments into time deposits	(116)	(116)
Proceeds from withdrawal of time deposits	115	116
Purchase of property, plant and equipment	(357)	(295)
Proceeds from sale of property, plant and equipment	8	9
Purchase of intangible assets	(466)	(328)
Purchase of investment securities	(22)	(99)
Proceeds from sale of investment securities	–	898
Proceeds from distributions from investment partnerships	8	2
Proceeds from maturity of insurance funds	7	53
Payments of leasehold and guarantee deposits	(24)	(2)
Proceeds from refund of leasehold and guarantee deposits	3	5
Other, net	(6)	(2)
Net cash provided by (used in) investing activities	(852)	239
Cash flows from financing activities		
Redemption of bonds	(7)	(7)
Proceeds from long-term borrowings	600	–
Repayments of long-term borrowings	(550)	(445)
Purchase of treasury shares	(599)	(0)
Proceeds from sale of treasury shares	55	108
Dividends paid	(388)	(421)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(49)	–
Net cash provided by (used in) financing activities	(941)	(765)
Effect of exchange rate change on cash and cash equivalents	(1)	12
Net increase (decrease) in cash and cash equivalents	3,711	2,508
Cash and cash equivalents at beginning of period	9,104	12,816
Cash and cash equivalents at end of period	12,816	15,324