Translation

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

November 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
Inquiries: Director, Corporate Planning Division Yutaka Otsuka TEL 03(6821)6122
Scheduled date of ordinary general meeting of shareholders: December 24, 2024
Scheduled date to file Securities Report: December 25, 2024
Scheduled date to commence dividend payments: December 25, 2024
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 September 30, 2024 (from October 1, 2023 to September 30, 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 September 30, 2024	6,831	9.5	344	1.0	343	1.2	241	0.3
Year ended September 30, 2023	6,241	13.5	340	18.9	339	18.8	240	23.6

Note: Comprehensive income Year ended September 30, 2024 ¥241 million [(2.6)%]
Year ended September 30, 2023 ¥248 million [22.0%]

	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 September 30, 2024	83.15	82.98	17.9	12.1	5.0
Year ended September 30, 2023	82.88	82.70	20.8	13.0	5.5

Reference: Share of profit (loss) of entities accounted for using equity method
Year ended September 30, 2024 ¥— million
Year ended September 30, 2023 ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	2,892	1,438	49.7	494.71
As of September 30, 2023	2,773	1,260	45.5	433.61

Reference: Equity As of September 30, 2024 ¥1,438 million
As of September 30, 2023 ¥1,260 million

(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 September 30, 2024	173	(74)	(130)	1,072
Year ended September 30, 2023	323	(10)	(109)	1,104

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 September 30, 2023	–	0.00	–	22.00	22.00	63	26.5	5.5
Year ended September 30, 2024	–	0.00	–	25.00	25.00	72	30.1	5.4
Year ending September 30, 2025 (Forecast)	–	0.00	–	27.00	27.00		33.1	

3. Forecast of consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 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
Six months ending March 31, 2025	3,401	3.1	125	(44.7)	125	(44.8)	79	(47.8)	27.29
Full year	7,523	10.1	360	4.8	359	4.7	237	(2.0)	81.51

4. Notes

(1) Significant changes in the scope of consolidation during the year ended September 30, 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 September 30, 2024	3,058,000 shares	As of September 30, 2023	3,058,000 shares

Number of treasury shares at the end of the period

As of September 30, 2024	150,336 shares	As of September 30, 2023	150,297 shares

Average number of shares during the period

Year ended September 30, 2024	2,907,694 shares	Year ended September 30, 2023	2,907,352 shares

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2024	6,215	9.4	273	(3.0)	292	(2.9)	214	(3.5)
Year ended September 30, 2023	5,682	12.9	282	36.9	301	37.8	222	38.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended September 30, 2024	73.77	73.62
Year ended September 30, 2023	76.49	76.33

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	2,662	1,319	49.6	453.92
As of September 30, 2023	2,560	1,169	45.7	402.15

Reference: Equity As of September 30, 2024 ¥1,319 million

As of September 30, 2023 ¥1,169 million

2. Forecast of non-consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2025 (cumulative)	3,161	2.3	183	(26.3)	192	(25.4)	129	(26.4)	44.47
Full year	6,602	6.2	260	(4.8)	278	(4.7)	187	(12.7)	64.42

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

(How to access the contents of the financial results meeting)

A financial results meeting will be held on Monday, December 2, 2024 for institutional investors and analysts.

The videos of the meeting will be posted on the Company’s website promptly after the meeting.

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,104,251	1,072,583
Accounts receivable - trade, and contract assets	829,866	962,998
Merchandise	59	8,250
Work in process	9,949	4,438
Other	112,721	109,084
Total current assets	2,056,848	2,157,356
Non-current assets		
Property, plant and equipment		
Buildings	190,559	212,380
Accumulated depreciation	(83,614)	(94,059)
Buildings, net	106,945	118,320
Tools, furniture and fixtures	97,219	106,578
Accumulated depreciation	(72,836)	(83,416)
Tools, furniture and fixtures, net	24,383	23,162
Total property, plant and equipment	131,328	141,483
Intangible assets		
Goodwill	203,377	179,511
Other	25,219	35,054
Total intangible assets	228,596	214,565
Investments and other assets		
deposit	146,198	157,070
Deferred tax assets	185,920	195,763
Other	24,455	26,015
Total investments and other assets	356,575	378,849
Total non-current assets	716,500	734,897
Total assets	2,773,349	2,892,254

(Thousands of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	200,184	226,840
Current portion of long-term borrowings	66,620	58,430
Accounts payable - other	104,716	40,844
Accrued expenses	186,325	195,269
Income taxes payable	83,296	71,133
Accrued consumption taxes	99,962	97,202
Contract liabilities	193,384	195,863
Provision for bonuses	254,610	276,082
Other	27,754	25,149
Total current liabilities	1,216,855	1,186,815
Non-current liabilities		
Long-term borrowings	58,430	–
Retirement benefit liability	237,235	264,807
Other	–	2,173
Total non-current liabilities	295,665	266,981
Total liabilities	1,512,521	1,453,796
Net assets		
Shareholders' equity		
Share capital	291,390	291,390
Capital surplus	215,390	215,390
Retained earnings	876,261	1,054,077
Treasury shares	(134,863)	(134,900)
Total shareholders' equity	1,248,178	1,425,957
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	12,650	12,499
Total accumulated other comprehensive income	12,650	12,499
Total net assets	1,260,828	1,438,457
Total liabilities and net assets	2,773,349	2,892,254

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

(Thousands of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net sales	6,241,020	6,831,167
Cost of sales	4,914,600	5,493,052
Gross profit	1,326,419	1,338,114
Selling, general and administrative expenses	985,531	993,807
Operating profit	340,887	344,307
Non-operating income		
Interest income	10	105
Total non-operating income	10	105
Non-operating expenses		
Interest expenses	1,644	1,027
Total non-operating expenses	1,644	1,027
Ordinary profit	339,254	343,384
Profit before income taxes	339,254	343,384
Income taxes - current	111,739	111,375
Income taxes - deferred	(13,467)	(9,776)
Total income taxes	98,272	101,598
Profit	240,981	241,785
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	240,981	241,785

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Profit	240,981	241,785
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	7,111	(150)
Total other comprehensive income	7,111	(150)
Comprehensive income	248,093	241,635
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	248,093	241,635
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	291,090	215,090	678,866	(134,796)	1,050,249
Changes during period					
Issuance of new shares	300	300			600
Dividends of surplus			(43,586)		(43,586)
Profit attributable to owners of parent			240,981		240,981
Purchase of treasury shares				(66)	(66)
Net changes in items other than shareholders' equity					–
Total changes during period	300	300	197,395	(66)	197,928
Balance at end of period	291,390	215,390	876,261	(134,863)	1,248,178

	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,538	5,538	1,055,788
Changes during period			
Issuance of new shares			600
Dividends of surplus			(43,586)
Profit attributable to owners of parent			240,981
Purchase of treasury shares			(66)
Net changes in items other than shareholders' equity	7,111	7,111	7,111
Total changes during period	7,111	7,111	205,040
Balance at end of period	12,650	12,650	1,260,828

Fiscal year ended September 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	291,390	215,390	876,261	(134,863)	1,248,178
Changes during period					
Issuance of new shares					–
Dividends of surplus			(63,969)		(63,969)
Profit attributable to owners of parent			241,785		241,785
Purchase of treasury shares				(36)	(36)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	177,816	(36)	177,779
Balance at end of period	291,390	215,390	1,054,077	(134,900)	1,425,957

	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	12,650	12,650	1,260,828
Changes during period			
Issuance of new shares			–
Dividends of surplus			(63,969)
Profit attributable to owners of parent			241,785
Purchase of treasury shares			(36)
Net changes in items other than shareholders' equity	(150)	(150)	(150)
Total changes during period	(150)	(150)	177,629
Balance at end of period	12,499	12,499	1,438,457

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	339,254	343,384
Depreciation	32,006	35,307
Amortization of deposit	3,353	6,082
Amortization of goodwill	23,866	23,866
Increase (decrease) in provision for bonuses	24,391	21,471
Increase (decrease) in retirement benefit liability	35,571	27,354
Interest income	(10)	(105)
Interest expenses	1,644	1,027
Decrease (increase) in accounts receivable - trade, and contract assets	(115,255)	(133,132)
Decrease (increase) in inventories	(3,248)	(2,680)
Increase (decrease) in trade payables	32,698	26,655
Decrease (increase) in other assets	(31,240)	1,735
Increase (decrease) in other liabilities	84,478	(52,223)
Increase (decrease) in accrued consumption taxes	3,279	(77)
Subtotal	430,788	298,667
Interest received	10	105
Interest paid	(1,625)	(1,016)
Income taxes paid	(105,309)	(123,985)
Net cash provided by (used in) operating activities	323,864	173,771
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,022)	(33,806)
Purchase of intangible assets	(2,575)	(24,468)
Proceeds from refund of guarantee deposits	–	644
Payments of guarantee deposits	(336)	(17,598)
Other, net	(972)	330
Net cash provided by (used in) investing activities	(10,906)	(74,898)
Cash flows from financing activities		
Repayments of long-term borrowings	(66,620)	(66,620)
Proceeds from issuance of shares	600	–
Purchase of treasury shares	(66)	(36)
Dividends paid	(43,539)	(63,883)
Net cash provided by (used in) financing activities	(109,626)	(130,540)
Net increase (decrease) in cash and cash equivalents	203,331	(31,667)
Cash and cash equivalents at beginning of period	900,920	1,104,251
Cash and cash equivalents at end of period	1,104,251	1,072,583