

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2023 (Based on Japanese GAAP)

August 14, 2023

Company name: D.I.System Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4421 URL <http://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 file Quarterly Securities Report: August 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2023 (from October 1, 2022 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	%
Nine months ended June 30, 2023	4,660	16.6	310	49.5	308	49.4	202	54.4
Nine months ended June 30, 2022	3,997	–	207	–	206	–	130	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2023	69.49		69.34	
Nine months ended June 30, 2022	44.33		44.22	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2023	2,789		1,214		43.5	
As of September 30, 2022	2,458		1,055		42.9	

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, 2022	–	0.00	–	15.00	15.00
Year ending September 30, 2023	–	0.00	–		
Year ending September 30, 2023 (Forecast)				22.00	22.00

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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	6,407	16.5	338	18.1	337	18.1	226	16.4	78.06

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): 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: Yes
- 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, 2023	3,058,000 shares	As of September 30, 2022	3,056,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	150,297 shares	As of September 30, 2022	150,224 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, 2023	2,907,234 shares	Nine months ended June 30, 2022	2,951,661 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	900,920	1,086,687
Accounts receivable - trade, and contract assets	714,611	835,277
Merchandise	3,515	9,516
Work in process	3,245	3,892
Other	78,910	102,765
Total current assets	1,701,203	2,038,140
Non-current assets		
Property, plant and equipment	144,813	136,802
Intangible assets		
Goodwill	227,244	209,344
Other	34,517	28,312
Total intangible assets	261,761	237,656
Investments and other assets		
Deferred tax assets	175,592	205,956
Other	175,287	171,270
Total investments and other assets	350,879	377,226
Total non-current assets	757,454	751,686
Total assets	2,458,657	2,789,826
Liabilities		
Current liabilities		
Accounts payable - trade	167,485	205,953
Current portion of long-term borrowings	66,620	66,620
Accrued expenses	166,305	399,705
Income taxes payable	74,759	103,202
Contract liabilities	183,422	220,608
Provision for bonuses	230,219	118,427
Other	177,092	146,664
Total current liabilities	1,065,904	1,261,182
Non-current liabilities		
Long-term borrowings	125,050	75,085
Retirement benefit liability	211,915	239,229
Total non-current liabilities	336,965	314,314
Total liabilities	1,402,869	1,575,497
Net assets		
Shareholders' equity		
Share capital	291,090	291,390
Capital surplus	215,090	215,390
Retained earnings	678,866	837,317
Treasury shares	(134,796)	(134,863)
Total shareholders' equity	1,050,249	1,209,233
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	5,538	5,095
Total accumulated other comprehensive income	5,538	5,095
Total net assets	1,055,788	1,214,328
Total liabilities and net assets	2,458,657	2,789,826

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, 2022	Nine months ended June 30, 2023
Net sales	3,997,957	4,660,532
Cost of sales	3,161,323	3,628,578
Gross profit	836,634	1,031,953
Selling, general and administrative expenses	629,224	721,910
Operating profit	207,410	310,043
Non-operating income		
Interest income	4	4
Dividend income	4	-
Total non-operating income	8	4
Non-operating expenses		
Interest expenses	642	1,129
Total non-operating expenses	642	1,129
Ordinary profit	206,776	308,919
Profit before income taxes	206,776	308,919
Income taxes - current	107,039	137,057
Income taxes - deferred	(31,131)	(30,168)
Total income taxes	75,907	106,889
Profit	130,868	202,030
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	130,868	202,030

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Profit	130,868	202,030
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	677	(443)
Total other comprehensive income	677	(443)
Comprehensive income	131,546	201,586
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	131,546	201,586
Comprehensive income attributable to non-controlling interests	—	—