

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Three Months Ended December 31, 2023 (Based on Japanese GAAP)

February 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 file Quarterly Securities Report: February 14, 2024  
 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 three months ended December 31, 2023 (from October 1, 2023 to December 31, 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	%
Three months ended December 31, 2023	1,624	11.3	100	(11.0)	100	(11.0)	66	(11.0)
Three months ended December 31, 2022	1,459	20.8	112	242.1	112	242.7	74	244.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2023	22.80		22.75	
Three months ended December 31, 2022	25.64		25.58	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	2,808	1,262	45.0
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	–				
Year ending September 30, 2024 (Forecast)		0.00	–	23.00	23.00

### 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
Six months ending March 31, 2024	3,255	8.6	169	(34.4)	168	(34.5)	113	(34.1)	38.97
Full year	6,900	10.6	342	0.4	340	0.4	229	(4.9)	78.81

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 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: 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 December 31, 2023	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 December 31, 2023	150,297 shares	As of September 30, 2023	150,297 shares
-------------------------	----------------	--------------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2023	2,907,703 shares	Three months ended December 31, 2022	2,906,276 shares
--------------------------------------	------------------	--------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,104,251	1,206,848
Accounts receivable - trade, and contract assets	829,866	786,113
Merchandise	59	8,474
Work in process	9,949	13,701
Other	112,721	97,135
Total current assets	2,056,848	2,112,274
Non-current assets		
Property, plant and equipment	131,328	131,655
Intangible assets		
Goodwill	203,377	197,410
Other	25,219	27,074
Total intangible assets	228,596	224,485
Investments and other assets		
Deferred tax assets	185,920	153,060
Other	170,654	187,438
Total investments and other assets	356,575	340,499
Total non-current assets	716,500	696,640
Total assets	2,773,349	2,808,914
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	200,184	223,015
Short-term borrowings	–	200,000
Current portion of long-term borrowings	66,620	66,620
Accrued expenses	186,325	199,350
Income taxes payable	83,296	7,363
Contract liabilities	193,384	185,182
Provision for bonuses	254,610	112,730
Other	232,433	260,825
Total current liabilities	1,216,855	1,255,088
Non-current liabilities		
Long-term borrowings	58,430	41,775
Retirement benefit liability	237,235	246,658
Other	–	2,717
Total non-current liabilities	295,665	291,150
Total liabilities	1,512,521	1,546,239
<b>Net assets</b>		
Shareholders' equity		
Share capital	291,390	291,390
Capital surplus	215,390	215,390
Retained earnings	876,261	878,598
Treasury shares	(134,863)	(134,863)
Total shareholders' equity	1,248,178	1,250,515
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	12,650	12,160
Total accumulated other comprehensive income	12,650	12,160
Total net assets	1,260,828	1,262,675
Total liabilities and net assets	2,773,349	2,808,914

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Net sales	1,459,592	1,624,610
Cost of sales	1,118,175	1,290,731
Gross profit	341,416	333,879
Selling, general and administrative expenses	228,496	233,400
Operating profit	112,920	100,478
Non-operating income		
Interest income	–	2
Total non-operating income	–	2
Non-operating expenses		
Interest expenses	330	228
Total non-operating expenses	330	228
Ordinary profit	112,589	100,252
Profit before income taxes	112,589	100,252
Income taxes - current	725	869
Income taxes - deferred	37,344	33,076
Total income taxes	38,069	33,945
Profit	74,520	66,306
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	74,520	66,306

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit	74,520	66,306
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(250)	(490)
Total other comprehensive income	(250)	(490)
Comprehensive income	74,269	65,816
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	74,269	65,816
Comprehensive income attributable to non-controlling interests	—	—