

**Consolidated Financial Results**  
**For the Fiscal Year Ended December 31, 2015**  
**<under Japanese GAAP>**

Company name: Densan System Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange (First Section), Nagoya Stock Exchange(First Section)  
 Code number: 3630  
 URL: <http://www.densan-s.co.jp>  
 Representative: Yasunori Tanaka, President, Representative Director & COO  
 For inquiry: Noboru Kondo, Managing Director  
 TEL: (058)279-3456

Scheduled date of ordinary general meeting of shareholders: March 25, 2016  
 Scheduled date to commence dividend payments: March 28, 2016  
 Scheduled date to file Securities Report: March 28, 2016  
 Preparation of supplementary materials on consolidated financial results: None  
 Investor meeting presentation: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

**1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2015**  
**(January 1, 2015 through December 31, 2015)**

(1) Results of Operations (%: Changes from the previous fiscal year)

Fiscal year ended	Net Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2015	28,956	9.3	1,042	(9.7)	1,071	(7.8)	660	(3.6)
December 31, 2014	26,494	7.9	1,154	13.6	1,163	13.8	685	15.4

Note: Comprehensive Income:

December 31, 2015: 720 million yen, (3.9%)

December 31, 2014: 749 million yen, 10.8%

Fiscal year ended	Net Income per Share	Diluted Net Income per Share	Net Income on Own Capital	Ordinary Income to Total Assets	Operating Income to Net Sales
	yen	yen	%	%	%
December 31, 2015	67.81	67.74	8.6	3.7	3.6
December 31, 2014	70.43	70.20	9.4	4.3	4.4

Reference: Equity-method investment gains or losses:

Year ended December 31, 2015: 1 million yen

Year ended December 31, 2014: 1 million yen

(2) Financial Conditions

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	million yen	million yen	%	yen
December 31, 2015	30,064	7,974	26.2	812.42
December 31, 2014	27,350	7,678	27.7	776.68

Reference: Equity:

As of December 31, 2015: 7,867 million yen

As of December 31, 2014: 7,576 million yen

(3) Cash Flows

As of	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the period
	million yen	million yen	million yen	million yen
December 31, 2015	806	(685)	(335)	2,531
December 31, 2014	1,130	(978)	53	2,746

## 2. Cash Dividends on Common Stock

	Cash Dividends per Share					Total Cash Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Net Assets Ratio (Consolidated)
	First quarter -end	Second quarter -end	Third quarter -end	Fiscal quarter -end	Annual			
Fiscal year ended December 31, 2014	yen -	yen 11.00	yen -	yen 11.00	yen 22.00	million yen 214	% 31.2	% 2.9
December 31, 2015	-	11.00	-	12.00	23.00	224	33.9	2.9
Fiscal year ending December 31, 2016 (Forecast)	-	12.00	-	12.00	24.00		29.0	

## 3. Earnings Forecast for the Fiscal Year Ending December 31, 2016 (January 1, 2016 through December 31, 2016)

(%: Changes from the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to parent shareholders		Net Income per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First six months ending June 30, 2016	14,733	4.1	475	1.9	484	0.3	300	5.0	30.70
Fiscal year ending December 31, 2016	31,500	8.8	1,270	21.9	1,278	19.02	810	22.7	83.50

### \*Notes

- (1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Changes in accounting policies, estimates, and amendments:
  - (a) Changes due to revisions of accounting standards, etc: None
  - (b) Changes due to other reasons: None
  - (c) Changes in accounting estimates: None
  - (d) Amendments: None
- (3) Number of shares issued (common stock)
  - (a) Number of shares issued at the end of the period (including treasury stock)
    - As of December 31, 2015: 10,033,600 shares
    - As of December 31, 2014: 10,009,800 shares
  - (b) Number of treasury stock at the end of the period
    - As of December 31, 2015: 349,854 shares
    - As of December 31, 2014: 254,854 shares
  - (c) Average number of shares during the period
    - Fiscal year ended December 31, 2015: 9,738,144 shares
    - Fiscal year ended December 31, 2014: 9,727,052 shares

Note: The calculations for the number of treasury shares held at the end of the period under review, as well as the average number of shares during that same period, include among the tax-deductible treasury shares those Densan System Co., Ltd. shares held by the Densan System Employee Stock Ownership Plan Trust (95,000 shares in fiscal year ended December 31, 2015).

## (Reference) Summary of Non-Consolidated Financial Results

### 1. Non-Consolidated Financial Results for the Fiscal Year ended December 31, 2015 (January 1, 2015 through December 31, 2015)

(1) Results of Operations	(%: Changes from the previous fiscal year)			
	Net Sales	Operating Income	Ordinary Income	Net Income

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2015

Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2015	27,166	7.5	950	(10.5)	977	(8.8)	610	(4.7)
December 31, 2014	25,272	7.0	1,062	8.7	1,071	9.4	641	10.9

	Net Income per Share	Diluted Net Income per Share
Fiscal year ended	yen	yen
December 31, 2015	62.72	62.66
December 31, 2014	65.90	65.68

## (2) Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of	million yen	million yen	%	yen
December 31, 2015	29,499	7,696	26.1	794.77
December 31, 2014	26,766	7,456	27.9	764.41

Reference: Equity:

As of December 31, 2015: 7,696million yen

As of December 31, 2014: 7,456 million yen

\* Disclosure regarding the execution of the audit process

This "Consolidated Financial Results" Report is outside the scope of the audit procedure which is required by the "Financial Instruments and Exchange Act". Therefore, the audit process has not been completed as of the date of the disclosure of this "Consolidated Financial Results" Report.

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

The above forward-looking statements regarding earnings forecasts are based on information available as of the date of announcement of this material and certain information judged to be rational so that actual performance may differ materially from those forecasts due to various factors.