

**Consolidated Financial Results**  
**For the Fiscal Year Ended December 31, 2018**  
**<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: <https://www.densan-s.co.jp>  
 Representative: Yasunori Tanaka, President, Representative Director & COO  
 For inquiry: Takashi Usami, Operating Officer & Chief Administrator  
 TEL: (058)279-3456

Scheduled date of ordinary general meeting of shareholders: March 26, 2019

Scheduled date to commence dividend payments: March 27, 2019

Scheduled date to file Securities Report: March 27, 2019

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, 2018**  
**(January 1, 2018 through December 31, 2018)**

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

Fiscal year ended	Net Sales		Operating Income		Ordinary Income		Net Income attributable to parent shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2018	36,576	9.0	1,668	28.6	1,720	28.7	1,020	24.2
December 31, 2017	33,545	10.5	1,297	15.3	1,336	15.5	821	12.2

Note: Comprehensive Income:

December 31, 2018: 845 million yen, (-1.2%)

December 31, 2017: 855 million yen, (25.4%)

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, 2018	104.27	—	11.0	4.9	4.6
December 31, 2017	84.13	—	9.4	3.5	3.9

Reference: Equity-method investment gains or losses:

Year ended December 31, 2018: 1 million yen

Year ended December 31, 2017: 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, 2018	38,743	9,537	24.3	963.54
December 31, 2017	31,724	9,331	28.8	933.05

Reference: Equity:

As of December 31, 2018: 9,428 million yen

As of December 31, 2017: 9,130 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, 2018	1,671	(1,071)	(136)	3,582
December 31, 2017	1,285	(1,063)	111	3,120

## 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			
	yen	yen	yen	yen	yen	million yen	%	%
FY 2017	-	12.00	-	13.00	25.00	244	29.7	2.8
FY 2018	-	13.00	-	13.00	26.00	254	24.9	2.7
FY 2019 (Forecast)	-	13.00	-	14.00	27.00		21.5	

## 3. Earnings Forecast for the Fiscal Year Ending December 31, 2019 (January 1, 2019 through December 31, 2019)

(%: 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 half year	19,731	9.4	803	7.9	834	6.3	548	5.3	55.95
FY 2019	40,000	9.4	1,810	8.5	1,850	7.5	1,228	20.4	125.51

### \*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, 2018: 10,040,000 shares
    - As of December 31, 2017: 10,040,000 shares
  - (b) Number of treasury stock at the end of the period
    - As of December 31, 2018: 254,901 shares
    - As of December 31, 2017: 254,854 shares
  - (c) Average number of shares during the period
    - Fiscal year ended December 31, 2018: 9,785,137 shares
    - Fiscal year ended December 31, 2017: 9,765,298 shares

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

**1. Non-Consolidated Financial Results for the Fiscal Year ended December 31, 2018  
(January 1, 2018 through December 31, 2018)**

(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, 2018	34,192	10.6	1,510	40.8	1,561	42.6	942	31.0
December 31, 2017	30,926	8.5	1,072	1.6	1,094	1.1	719	4.1

Fiscal year ended	Net Income per Share	Diluted Net Income per Share
	yen	yen
December 31, 2018	96.28	-
December 31, 2017	73.66	-

(2) Financial Conditions

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	million yen	million yen	%	yen
December 31, 2018	37,930	9,319	24.6	952.41
December 31, 2017	30,565	8,821	28.9	901.53

Reference: Equity:

As of December 31, 2018: 9,319 million yen

As of December 31, 2017: 8,821 million yen

\* This financial report is outside the scope of audit procedures.

\* 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.