

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 2021

Company name: Densan System Holdings Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4072 URL <https://ds-hd.co.jp/>
 Representative: President, Representative Director Yasunori Tanaka
 Corporate Officer Chief of Administration Takashi Usami
 Inquiries: Headquarters TEL 058-279-3456
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 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 September 30, 2021 (from January 1, 2021 to September 30, 2021)

(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 September 30, 2021	36,147	–	2,034	–	2,099	–	1,278	–
Nine months ended September 30, 2020	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	118.53	–
Nine months ended September 30, 2020	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	52,026	17,001	32.3
As of December 31, 2020	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2020	–	–	–	–	–
Year ending December 31, 2021	–	–	–	–	–
Year ending December 31, 2021 (Forecast)	–	–	–	20.00	20.00

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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	52,000	–	2,850	–	2,920	–	1,945	–	180.34

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021
(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 September 30, 2021	10,784,932 shares	As of December 31, 2020	– shares
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Number of treasury shares at the end of the period

As of September 30, 2021	49 shares	As of December 31, 2020	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021	10,784,939 shares	Nine months ended September 30, 2020	– shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

As of September 30, 2021

Assets	
Current assets	
Cash and deposits	10,717
Money held in trust	21,934
Notes and accounts receivable - trade	6,813
Merchandise and finished goods	367
Work in process	1,116
Prepaid expenses	2,242
Other	479
Allowance for doubtful accounts	(10)
Total current assets	43,660
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	1,584
Land	791
Other, net	677
Total property, plant and equipment	3,053
Intangible assets	
Goodwill	1,585
Customer-related assets	672
Software	299
Software in progress	170
Other	0
Total intangible assets	2,727
Investments and other assets	
Investment securities	1,990
Deferred tax assets	151
Guarantee deposits	390
Other	54
Allowance for doubtful accounts	(0)
Total investments and other assets	2,585
Total non-current assets	8,366
Total assets	52,026

(Millions of yen)

As of September 30, 2021

Liabilities	
Current liabilities	
Accounts payable - trade	3,665
Short-term borrowings	100
Current portion of bonds payable	17
Current portion of long-term borrowings	409
Income taxes payable	269
Advances received	2,833
Deposits received of storage agency	24,111
Provision for bonuses	475
Provision for bonuses for directors (and other officers)	27
Provision for shareholder benefit program	3
Other	1,232
Total current liabilities	33,143
Non-current liabilities	
Bonds payable	36
Long-term borrowings	727
Deferred tax liabilities	221
Provision for retirement benefits for directors (and other officers)	482
Retirement benefit liability	83
Asset retirement obligations	24
Other	306
Total non-current liabilities	1,881
Total liabilities	35,025
Net assets	
Shareholders' equity	
Share capital	2,469
Capital surplus	2,656
Retained earnings	11,583
Treasury shares	(0)
Total shareholders' equity	16,709
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	102
Total accumulated other comprehensive income	102
Non-controlling interests	189
Total net assets	17,001
Total liabilities and net assets	52,026

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2021
Net sales	36,147
Cost of sales	29,693
Gross profit	6,453
Selling, general and administrative expenses	4,419
Operating profit	2,034
Non-operating income	
Interest income	1
Dividend income	11
Subsidy income	5
Gain on investments in investment partnerships	19
Gain on valuation of derivatives	34
Other	22
Total non-operating income	95
Non-operating expenses	
Interest expenses	4
Commission expenses	23
Share of loss of entities accounted for using equity method	2
Foreign exchange losses	0
Other	0
Total non-operating expenses	30
Ordinary profit	2,099
Extraordinary losses	
Impairment loss	30
Loss on valuation of investment securities	67
Total extraordinary losses	98
Profit before income taxes	2,001
Income taxes - current	737
Income taxes - deferred	(14)
Total income taxes	723
Profit	1,278
Loss attributable to non-controlling interests	(0)
Profit attributable to owners of parent	1,278

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2021
Profit	1,278
Other comprehensive income	
Valuation difference on available-for-sale securities	188
Total other comprehensive income	188
Comprehensive income	1,466
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,466
Comprehensive income attributable to non-controlling interests	(0)