

# Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 11, 2022

Company name: Densan System Holdings Co., Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 4072 URL <https://www.ds-hd.co.jp/>  
 Representative: President, Representative Director Yasunori Tanaka  
 Corporate Officer Chief of Administration  
 Inquiries: Takashi Usami TEL 058-279-3456  
 Headquarters  
 Scheduled date to file Quarterly Securities Report: May 13, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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 March 31, 2022 (from January 1, 2022 to March 31, 2022)

#### (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 March 31, 2022	11,822	–	613	–	820	–	562	–
Three months ended March 31, 2021	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	52.13	–
Three months ended March 31, 2021	–	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	53,775	17,999	33.1
As of December 31, 2021	51,283	17,604	33.9

### 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, 2021	–	–	–	20.00	20.00
Year ending December 31, 2022	–				
Year ending December 31, 2022 (Forecast)		17.00	–	18.00	35.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	55,500	10.2	3,270	4.2	3,290	2.3	2,247	13.6	208.35

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022  
(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 March 31, 2022	10,784,932 shares	As of December 31, 2021	10,784,932 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	82 shares	As of December 31, 2021	82 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	10,784,850 shares	Three months ended March 31, 2021	– shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	13,673	11,880
Money held in trust	17,392	21,131
Notes and accounts receivable - trade	8,498	–
Notes and accounts receivable - trade, and contract assets	–	7,522
Merchandise and finished goods	394	482
Work in process	509	507
Prepaid expenses	2,277	2,268
Other	461	504
Allowance for doubtful accounts	(18)	(17)
Total current assets	43,188	44,280
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,554	1,547
Land	791	791
Other, net	633	720
Total property, plant and equipment	2,979	3,059
Intangible assets		
Goodwill	1,537	1,513
Customer-related assets	660	648
Software	369	392
Software in progress	166	198
Other	0	0
Total intangible assets	2,734	2,752
Investments and other assets		
Investment securities	1,840	3,088
Deferred tax assets	95	157
Guarantee deposits	389	377
Other	57	66
Allowance for doubtful accounts	(2)	(7)
Total investments and other assets	2,381	3,682
Total non-current assets	8,095	9,495
Total assets	51,283	53,775

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	3,722	3,598
Short-term borrowings	47	630
Current portion of bonds payable	17	7
Current portion of long-term borrowings	370	478
Income taxes payable	499	287
Advances received	3,088	—
Contract liabilities	—	3,205
Deposits received of storage agency	22,035	23,339
Provision for bonuses	17	320
Provision for bonuses for directors (and other officers)	48	11
Provision for loss on order received	19	5
Provision for shareholder benefit program	34	34
Other	1,997	1,549
Total current liabilities	31,899	33,468
Non-current liabilities		
Bonds payable	36	32
Long-term borrowings	619	1,151
Deferred tax liabilities	221	224
Provision for retirement benefits for directors (and other officers)	489	501
Retirement benefit liability	86	76
Asset retirement obligations	24	24
Other	303	296
Total non-current liabilities	1,779	2,307
Total liabilities	33,679	35,775
Net assets		
Shareholders' equity		
Share capital	2,469	2,469
Capital surplus	2,656	2,656
Retained earnings	12,283	12,673
Treasury shares	(0)	(0)
Total shareholders' equity	17,408	17,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	(8)
Total accumulated other comprehensive income	1	(8)
Non-controlling interests	194	209
Total net assets	17,604	17,999
Total liabilities and net assets	51,283	53,775

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

## Consolidated statements of income (cumulative)

	(Millions of yen)
	Three months ended March 31, 2022
Net sales	11,822
Cost of sales	9,606
Gross profit	2,216
Selling, general and administrative expenses	1,602
Operating profit	613
Non-operating income	
Interest income	2
Share of profit of entities accounted for using equity method	137
Gain on sale of non-current assets	38
Gain on investments in investment partnerships	17
Foreign exchange gains	0
Gain on valuation of derivatives	8
Debt prescripton profit	2
Other	2
Total non-operating income	209
Non-operating expenses	
Interest expenses	2
Commission expenses	0
Other	0
Total non-operating expenses	3
Ordinary profit	820
Profit before income taxes	820
Income taxes - current	311
Income taxes - deferred	(68)
Total income taxes	243
Profit	577
Profit attributable to non-controlling interests	15
Profit attributable to owners of parent	562

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

(Millions of yen)

	Three months ended March 31, 2022
Profit	577
Other comprehensive income	
Valuation difference on available-for-sale securities	(10)
Total other comprehensive income	(10)
Comprehensive income	567
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	552
Comprehensive income attributable to non-controlling interests	15