

August 12, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Densan System Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 4072
 URL: <http://www.ds-hd.co.jp/>
 Representative: Ryoji Kobayashi, President, Representative Director
 Inquiries: Masanobu Suzuki, Corporate Officer & Unit Leader
 Telephone: +81-58-279-3456
 Scheduled date to file semi-annual securities report:
 Scheduled date to commence dividend payments:
 Preparation of supplementary material on financial results:
 Holding of financial results briefing:

August 13, 2025
 September 12, 2025
 Yes
 Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	32,269	6.7	1,641	6.0	1,844	15.2	1,252	15.3
June 30, 2024	30,243	1.2	1,548	(23.0)	1,600	(22.8)	1,086	(22.1)

Note: Comprehensive income For the six months ended June 30, 2025: ¥1,250 million [3.0%]
 For the six months ended June 30, 2024: ¥1,213 million [(19.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	117.35	-
June 30, 2024	102.17	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	76,478	23,197	30.1
December 31, 2024	61,747	22,294	35.8

Reference: Equity
 As of June 30, 2025: ¥22,984 million
 As of December 31, 2024: ¥22,083 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	20.00	-	40.00	60.00
Fiscal year ending December 31, 2025	-	40.00			
Fiscal year ending December 31, 2025 (Forecast)				40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	67,500	10.2	3,500	51.4	3,530	39.3	2,530	36.7	236.82

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	10,798,341 shares
As of December 31, 2024	10,795,550 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	108,941 shares
As of December 31, 2024	133,421 shares

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

Six months ended June 30, 2025	10,675,346 shares
Six months ended June 30, 2024	10,632,150 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For details on the conditions on which earnings forecasts are based and precautions for using earnings forecasts, please refer to Appendix P.3 "(3) Explanation of Forward-Looking Information on Consolidated Earnings Forecasts and Other Forward-Looking Information."

Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	19,279	22,418
Money held in trust	15,531	28,394
Notes and accounts receivable - trade, and contract assets	11,164	10,256
Merchandise and finished goods	660	913
Work in process	398	397
Prepaid expenses	6,016	5,480
Other	838	1,029
Allowance for doubtful accounts	(12)	(21)
Total current assets	53,876	68,869
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,268	1,205
Land	791	791
Other, net	658	661
Total property, plant and equipment	2,718	2,658
Intangible assets		
Goodwill	461	404
Customer-related assets	513	489
Software	705	703
Software in progress	64	95
Other	0	0
Total intangible assets	1,745	1,693
Investments and other assets		
Investment securities	2,355	2,490
Deferred tax assets	635	352
Guarantee deposits	393	393
Other	104	90
Allowance for doubtful accounts	(82)	(68)
Total investments and other assets	3,407	3,257
Total non-current assets	7,870	7,608
Total assets	61,747	76,478

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	5,072	4,789
Short-term borrowings	-	4,710
Current portion of bonds payable	7	7
Current portion of long-term borrowings	206	176
Income taxes payable	455	363
Contract liabilities	9,228	8,428
Deposits received of storage agency	19,370	30,489
Provision for bonuses	87	60
Provision for bonuses for directors (and other officers)	23	15
Provision for loss on orders received	899	27
Provision for shareholder benefit program	46	-
Other	2,404	2,706
Total current liabilities	37,804	51,773
Non-current liabilities		
Bonds payable	15	11
Long-term borrowings	846	693
Deferred tax liabilities	177	169
Provision for retirement benefits for directors (and other officers)	208	175
Retirement benefit liability	121	117
Asset retirement obligations	26	26
Provision for loss on guarantees	-	24
Other	252	289
Total non-current liabilities	1,648	1,507
Total liabilities	39,452	53,281
Net assets		
Shareholders' equity		
Share capital	2,496	2,503
Capital surplus	2,628	2,628
Retained earnings	17,323	18,144
Treasury shares	(420)	(342)
Total shareholders' equity	22,027	22,933
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55	50
Total accumulated other comprehensive income	55	50
Non-controlling interests	211	212
Total net assets	22,294	23,197
Total liabilities and net assets	61,747	76,478

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	30,243	32,269
Cost of sales	25,250	26,922
Gross profit	4,993	5,346
Selling, general and administrative expenses	3,444	3,705
Operating profit	1,548	1,641
Non-operating income		
Interest income	2	32
Dividend income	19	16
Commission income	16	15
Gain on sale of investment securities	5	15
Gain on investments in investment partnerships	-	189
Gain on sale of non-current assets	0	-
Foreign exchange gains	3	-
Gain on valuation of derivatives	18	-
Debt prescripton profit	4	5
Other	3	10
Total non-operating income	74	285
Non-operating expenses		
Interest expenses	6	11
Share of loss of entities accounted for using equity method	10	33
Loss on investments in investment partnerships	1	-
Loss on sale of non-current assets	-	2
Foreign exchange losses	-	20
Loss on valuation of derivatives	-	13
Other	4	0
Total non-operating expenses	23	82
Ordinary profit	1,600	1,844
Profit before income taxes	1,600	1,844
Income taxes - current	534	305
Income taxes - deferred	(44)	283
Total income taxes	490	589
Profit	1,109	1,255
Profit attributable to non-controlling interests	23	2
Profit attributable to owners of parent	1,086	1,252

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	1,109	1,255
Other comprehensive income		
Valuation difference on available-for-sale securities	100	(4)
Deferred gains or losses on hedges	1	-
Share of other comprehensive income of entities accounted for using equity method	2	-
Total other comprehensive income	103	(4)
Comprehensive income	1,213	1,250
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,190	1,248
Comprehensive income attributable to non-controlling interests	23	2

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,600	1,844
Depreciation	378	350
Amortization of goodwill	58	56
Increase (decrease) in allowance for doubtful accounts	10	(4)
Increase (decrease) in provision for bonuses	(28)	(27)
Increase (decrease) in provision for bonuses for directors (and other officers)	(8)	(8)
Increase (decrease) in provision for loss on orders received	88	(872)
Increase (decrease) in provision for shareholder benefit program	(39)	(46)
Increase (decrease) in provision for loss on guarantees	-	24
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(205)	(33)
Increase (decrease) in retirement benefit liability	2	(4)
Interest and dividend income	(22)	(49)
Interest expenses	6	11
Loss (gain) on valuation of derivatives	(18)	13
Share of loss (profit) of entities accounted for using equity method	10	33
Foreign exchange losses (gains)	(5)	(0)
Loss (gain) on investments in investment partnerships	1	(189)
Loss (gain) on sale of investment securities	(5)	(15)
Loss (gain) on sale of non-current assets	(0)	2
Decrease (increase) in accounts receivable - trade, and contract assets	325	920
Decrease (increase) in inventories	(11)	(252)
Decrease (increase) in prepaid expenses	435	536
Increase (decrease) in trade payables	(232)	(283)
Increase (decrease) in accounts payable - other	(31)	(72)
Increase (decrease) in contract liabilities	(388)	(799)
Decrease (increase) in other current assets	96	(161)
Increase (decrease) in other current liabilities	355	444
Other, net	13	10
Subtotal	2,384	1,428
Interest and dividends received	23	32
Interest paid	(6)	(12)
Income taxes paid	(729)	(401)
Net cash provided by (used in) operating activities	1,671	1,047

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from investing activities		
Payments into time deposits	(113)	(113)
Proceeds from withdrawal of time deposits	112	113
Purchase of property, plant and equipment	(214)	(179)
Proceeds from sale of property, plant and equipment	7	3
Purchase of intangible assets	(176)	(167)
Purchase of investment securities	(50)	(153)
Proceeds from sale of investment securities	52	15
Proceeds from distributions from investment partnerships	-	160
Proceeds from maturity of insurance funds	22	-
Payments of leasehold and guarantee deposits	(0)	(0)
Proceeds from refund of leasehold and guarantee deposits	5	0
Other, net	(2)	-
Net cash provided by (used in) investing activities	(356)	(321)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	100	4,710
Redemption of bonds	(3)	(3)
Repayments of long-term borrowings	(239)	(183)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	53	65
Dividends paid	(204)	(431)
Dividends paid to non-controlling interests	(0)	(0)
Net cash provided by (used in) financing activities	(294)	4,156
Effect of exchange rate change on cash and cash equivalents	5	0
Net increase (decrease) in cash and cash equivalents	1,026	4,882
Cash and cash equivalents at beginning of period	12,816	15,324
Cash and cash equivalents at end of period	13,842	20,207

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Interim Consolidated Statements of Income (Note)2
	information technology service	collection agency services	Total		
Sales					
Revenues from external customers	18,220	12,023	30,243	-	30,243
Transactions with other segments	64	0	64	(64)	-
Total	18,284	12,023	30,308	(64)	30,243
Segment Profit	246	1,300	1,546	2	1,548

Note: 1. The adjustment amount for segment profit is the difference in the allocation of administrative expenses incurred by the reporting segment.

2. Segment profit is adjusted to operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. Interim Consolidated Accounting Period (January 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Interim Consolidated Statements of Income (Note)2
	information technology service	collection agency services	Total		
Sales					
Revenues from external customers	19,560	12,708	32,269	-	32,269
Transactions with other segments	12	0	12	(12)	-
Total	19,573	12,708	32,282	(12)	32,269
Segment Profit	243	1,393	1,637	4	1,641

Note: 1. The adjustment amount for segment profit is the difference in the allocation of administrative expenses incurred by the reporting segment.

2. Segment profit is adjusted to operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.