



Densan System Holdings Co., Ltd. Presentation Materials for the 4Q FY 2025 Results Briefing

Tokyo Stock Exchange Prime
Nagoya Stock Exchange Premier
Securities Code: 4072

Forward-looking statements contained in this document are based on current estimates and projections and include potential risks and uncertainties. Future results are therefore not guaranteed. Please note that actual results may differ from projections due to changes in the business environment and other factors. Amounts are displayed rounded down to units of one million yen. Aggregate totals stated in charts may not tally with a result. Percentages are displayed rounded to the second decimal point.

*Information from 2Q FY2021 and before is that of Densan System Co., Ltd.

Table of Contents

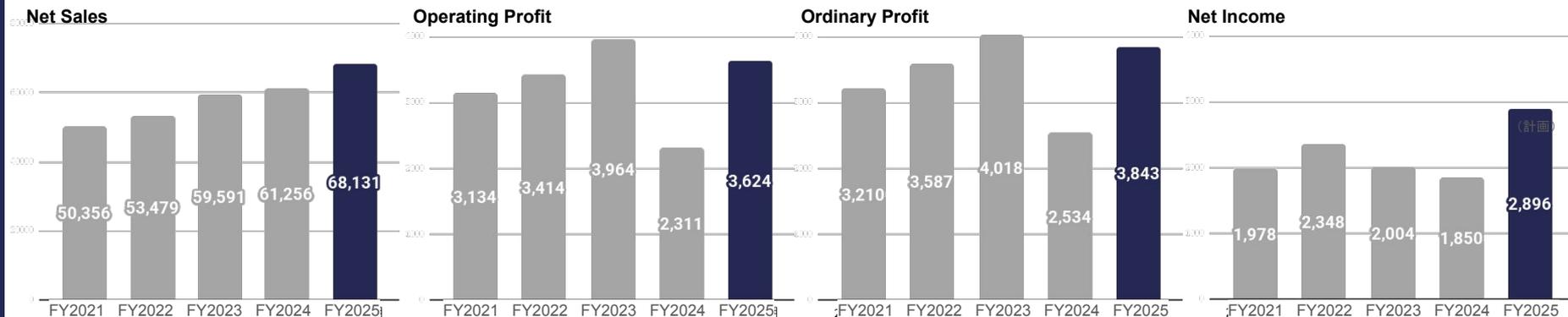
● 4Q FY 2025 Business Results Highlights	...P3
● 4Q FY 2025 Business Results Quarterly Trends	...P4
● 4Q FY 2025 Business Results Financial Condition (B/S)	...P5
● Cash Allocation Strategy	...P6
● 4Q FY 2025 Business Results Information Services Segment Summary	...P7
● 4Q FY 2025 Business Results Information Services Segment Quarterly Trends	...P8
● 4Q FY 2025 Business Results Information Services Segment in Detail (Google Business)	...P9
● 4Q FY 2025 Business Results Information Services Segment in Detail (BPO Business)	...P10
● 4Q FY 2025 Business Results Payment Agency Services Segment Summary	...P11
● 4Q FY 2025 Business Results Payment Agency Services Segment Quarterly Trends	...P12
● 4Q FY 2025 Business Results Payment Agency Services Segment in Detail (Payment and Collection Agency Services / Online Payment Services)	...P13
● FY 2025 Key Initiatives	...P14
● FY 2026 Financial Forecasts	...P15
● Reclassification of Sub-segments (Starting FY 2026)	...P16
● FY 2026 Financial Forecasts (Information Services segment)	...P17
● FY 2026 Financial Forecasts (Payment Agency Service Segment)	...P18
● Mid-Term Management Plan: FY2026 - FY2028	...P19
● Mid-Term Management Plan: Key Initiatives FY2026–FY2028	...P20
● Key Strategies for FY 2026	...P21
● Long Term Plan FY 2021 - FY 2027	...P22
● Shareholder Returns	...P23
● Sustainability Policy	...P24
● Response to Achieve Management with Awareness of Capital Cost and Stock Price	...P26
● Topics	...P27
(Appendix)	
● Company Profile	...P36
● Management Philosophy	...P37
● Trends in Key Consolidated Financial Indicators	...P38
● Segment Description	...P39

4Q FY 2025 Business Results Highlights

Unit: Millions of Yen

- Net sales: 16th consecutive year of growth, driven by Google-related business (incl. GIGA School projects).
- Profits: Significant YoY growth following the impact of unprofitable projects in the previous year; trending upward with sales expansion.

	FY 2024	FY 2025	YoY		Full-Year Plan	Progress
			Amount	Ratio		
Net Sales	61,256	68,131	6,874	11.2%	67,500	100.9%
Operating Profit	2,311	3,624	1,313	56.8%	3,500	103.6%
Profit Margin	3.8%	5.3%	1.5%pt Up		5.2%	
Ordinary Profit	2,534	3,843	1,308	51.6%	3,530	108.9%
Ordinary Profit Margin	4.1%	5.6%	1.5%pt Up		5.2%	
Net Income	1,850	2,896	1,046	56.5%	2,530	114.5%



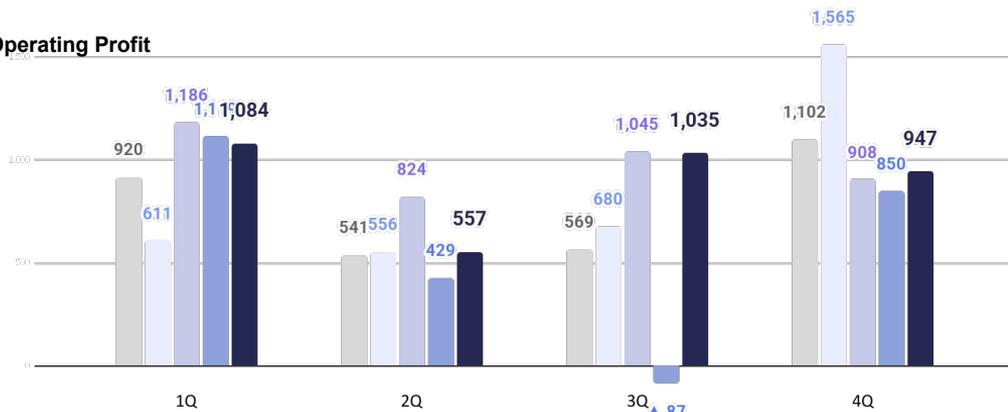
4Q FY 2025 Business Results Quarterly Trends

Unit: Millions of Yen



- Net Sales: Consistent period-over-period growth.
- 4Q Results: Up 1,801 million yen (+10% YoY), with every quarter of the fiscal year hitting record highs.

Operating Profit



- 4Q Operating Profit: Up YoY, recovering from the previous year's unprofitable projects.
- Vs. FY2023: Profit missed previous levels due to increased personnel and procurement costs.
- Quarterly Trends: Operating profit experienced more significant fluctuations than net sales.

4Q FY 2025 Business Results Financial Condition (B/S)

Unit: Millions of Yen

- Total Assets: Up 7.3 billion yen vs. prior fiscal year-end.
Main factors: Increases in money trusts, cash and deposits, and prepaid expenses.
- Liabilities: Up 4.7 billion yen vs. prior fiscal year-end.
Main factor: Increase in deposits received (payment collection services).

- Note on Net Cash

Temporary customer deposits in the payment collection business are recognized as offsetting entries in both Assets (money trusts) and Liabilities (deposits received). Adjusting for these characteristics, the effective net cash available for strategic allocation is shown below:

	FY2024	FY2025	Amount Change
Total assets	61,747	69,112	7,365
Current assets	53,876	60,999	7,122
Non-current assets	7,870	8,113	242
Total liabilities	39,452	44,230	4,778
Current liabilities	37,804	43,008	5,204
Non-current liabilities	1,648	1,222	▲ 425
Total net assets	22,294	24,881	2,587
Equity ratio	35.8%	35.6%	0.1%pt Down
Deposits received in payment agency services	19,370	22,288	2,918
Equity ratio excluding deposits received in payment agency services	52.1%	52.6%	0.5%pt Up

	FY2024	FY2025	Amount Change
A) Total cash	34,811	39,985	5,174
Cash and deposits	19,279	22,666	3,386
Money held in trust	15,531	17,319	1,787
B) Deposits received in payment agency services	19,370	22,288	2,918
C) Interest-bearing debt	1,075	629	▲ 445
Net cash (A - B - C)	14,365	17,067	2,702

*Deposits received in payment agency services refers to funds deposited with payment slips, etc.
As they appear on the balance sheet, they are included in the calculation of the equity ratio for accounting purposes.

Cash Allocation Strategy

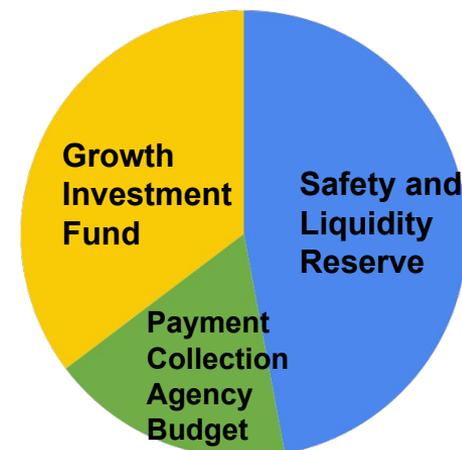
Optimizing Capital Allocation to Drive Strategic Growth

Flow: Free cash flow

First Priority	Shareholder returns: Delivering stable, consistent dividends while prioritizing financial health. (Dividend for FY 2026: Approx. ¥1.08 billion forecast)
Second Priority	Financial soundness: Secure and maintain a liquidity buffer to cover payment advances.
Third Priority	Growth investment: Strategic investment to secure competitive advantage while maintaining a balance between security and returns.

Stock: Strategic allocation of net cash (¥17.0 billion as of 4Q 2025)

1. Safety and Liquidity Reserve	Working funds A reserve for monthly funding needs. (Secure funds of about 1.2 times monthly sales = ¥8.0 billion)
2. Payment Collection Agency Buffer	Payment Collection agency funds Securing funds to address liquidity risk from payment advances (¥3.0 billion)
3. Growth investment Fund	Investment in growth strategies, M&A standby funds Strategic reserve in preparation for expansion into new business areas and dynamic M&A to acquire technology. (¥6.0 billion)



Note: From the standpoint of security, efficiency, and growth, cash is properly rebalanced through a strategic breakdown of the stock (balance) of funds earned in business flow.

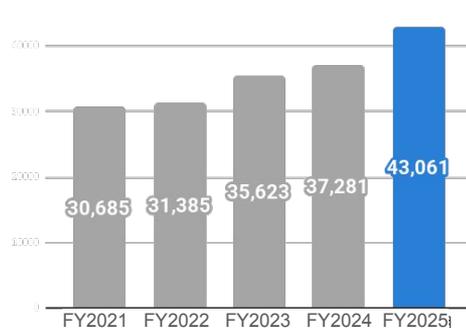
4Q FY 2025 Business Results Information Services Segment Summary

Unit: Millions of Yen

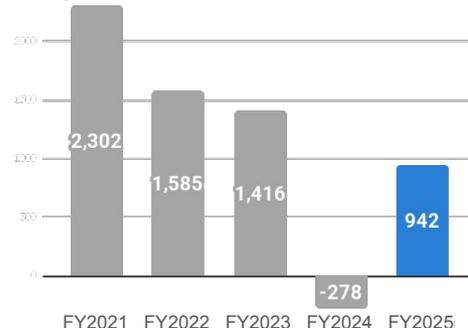
- Net Sales: 43,061 million yen (+15.5% YoY).
- SI & Software Development: Strong growth in auto auction systems and cloud services (Google Workspace, Google Maps).
- Goods & Product Sales: Significant YoY increase due to the progress of GIGA School implementation.
- Operating Profit: Substantial increase, recovering from previous year's unprofitable projects.

	FY 2024	FY 2025	YoY		Full-Year Plan	Progress
			Amount	Ratio		
Net sales	37,281	43,061	5,779	15.5%	42,322	101.7%
SI and software development	27,188	29,483	2,294	8.4%	29,475	100.0%
Information processing	5,850	6,199	349	6.0%	6,397	96.9%
Sales of merchandise and finished goods	4,138	7,287	3,148	76.1%	6,366	114.5%
Other revenue	104	91	▲ 13	▲ 12.7%	83	109.5%
Operating profit	▲ 278	942	1,220	-	851	110.8%
Operating profit margin	▲ 0.7%	2.2%	2.9%pt Up		2.0%	

Net Sales

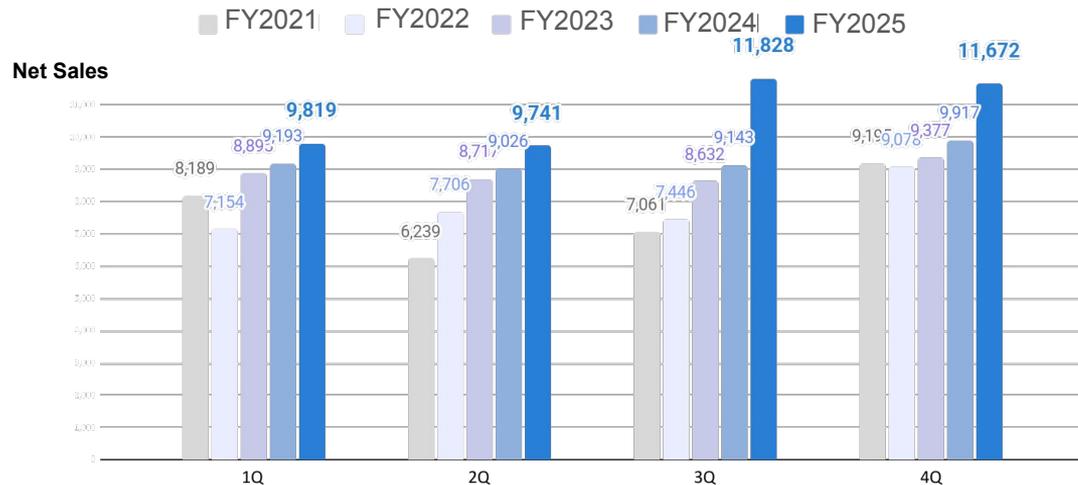


Operating Profit

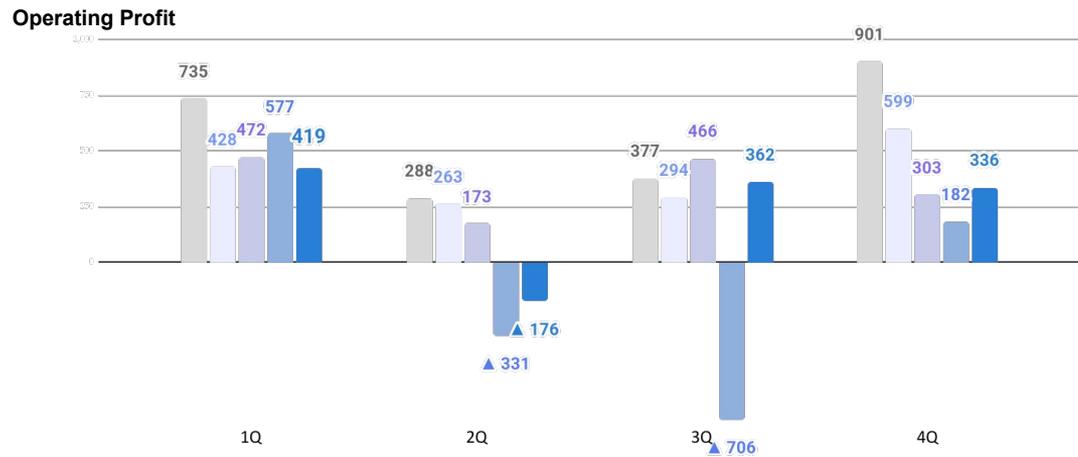


4Q FY 2025 Business Results Information Services Segment Quarterly Trends

Unit: Millions of Yen



- Sales Growth: Significant increase from 3Q onward, driven by device rollouts for the GIGA School project.
- Consistent Performance: 12 consecutive quarters of YoY revenue growth since 1Q 2023.



- Operating Profit: Substantial YoY increase, recovering from previous year's unprofitable projects.
- Rise in procurement costs, increased personnel expenses, and expansion of R&D investment
- Operating income growth trailed net sales due to lower margins on GIGA School projects.

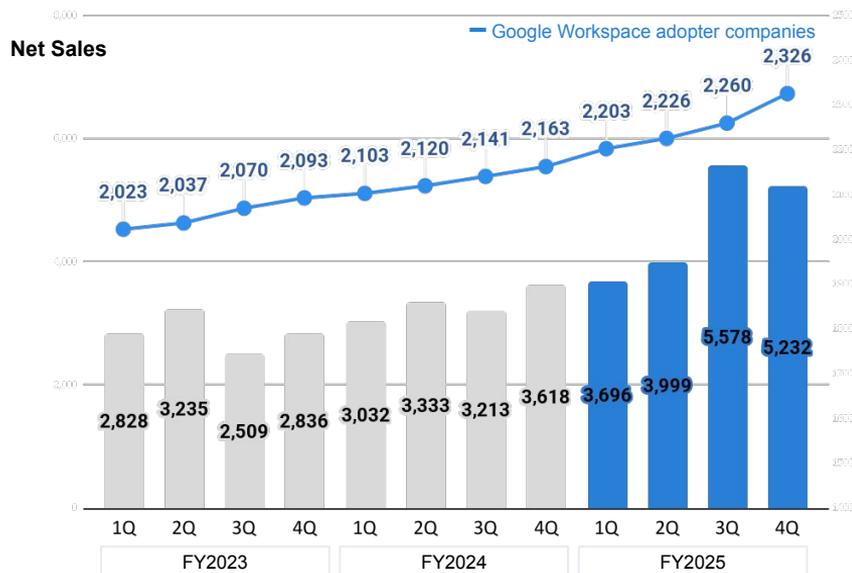
4Q FY 2025 Business Results Information Services Segment in Detail (Google Business)

Unit: Millions of Yen

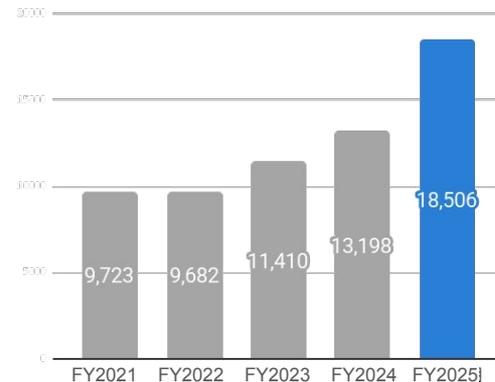
- The number of Google Workspace clients grew steadily
- Net sales increased significantly as the deployment of GIGA School projects progressed from the third quarter onward.

Google Workspace Adopter Companies 2,326

Google business annual sales 40.2 % increase from the previous fiscal year



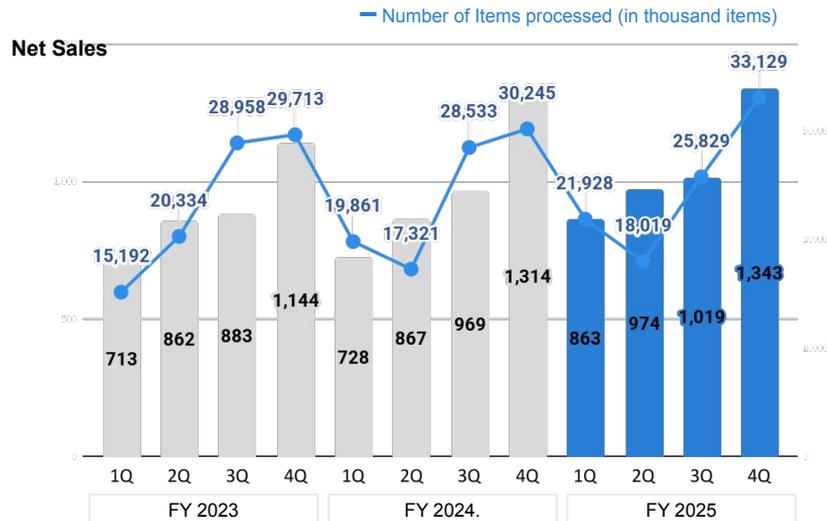
(Cumulative)



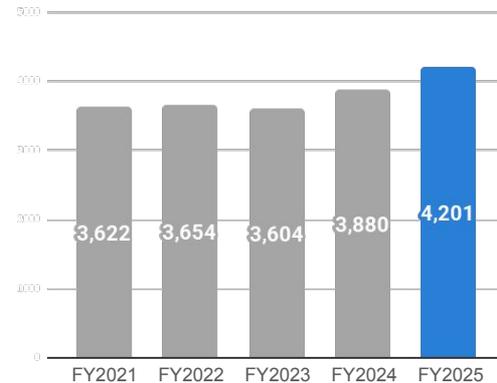
4Q FY 2025 Business Results Information Services Segment in Detail (BPO Business)

Unit: Millions of Yen

- 4Q Net Sales: 1,343 million yen (+2.2% YoY)
- Full-Year Net Sales: 4,201 million yen (+8.3% YoY)
- Billing and document preparation services remained robust.
- Data entry and shipping label printing services saw a decline in both volume and sales due to a shrinking target market.
- Strategic pivot toward high-value-added BPO, integrating system solutions with operational expertise.



(Cumulative)

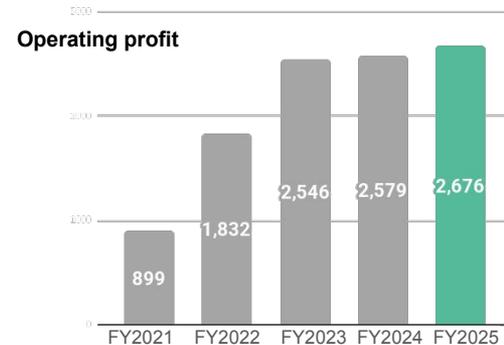
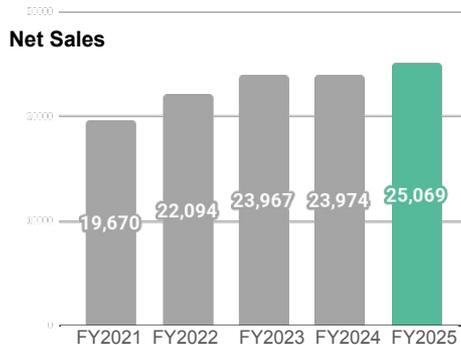


4Q FY 2025 Business Results Payment Agency Services Segment Summary

Unit: Millions of Yen

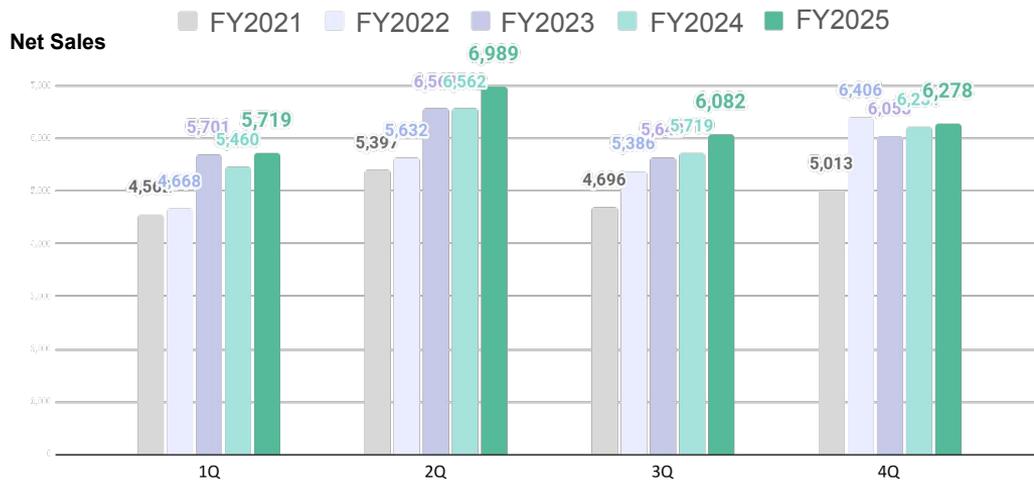
- Core collection and online payment services saw revenue growth, driven by steady performance from clients onboarded since the second half of the previous fiscal year.
- Remittance services decreased significantly following the termination of international money transfer services last year.
- Operating profit grew in tandem with primary service revenue.

	FY2024	FY2025	YoY		Full-year plan	Progress
			Amount	Ratio		
Net sales	23,974	25,069	1,095	4.6%	25,178	99.6%
Payment and collection agency service	22,204	23,139	935	4.2%	23,187	99.8%
Online payment service	982	1,188	206	21.0%	1,067	111.4%
Remittance service	226	53	▲ 173	▲ 76.4%	49	109.8%
Payment agency peripheral services	321	316	▲ 5	▲ 1.6%	315	100.4%
Other revenue	239	372	132	55.2%	560	66.4%
Operating profit	2,579	2,676	97	3.8%	2,649	101.0%
Operating profit margin	10.8%	10.7%	0.1%pt Down		10.5%	

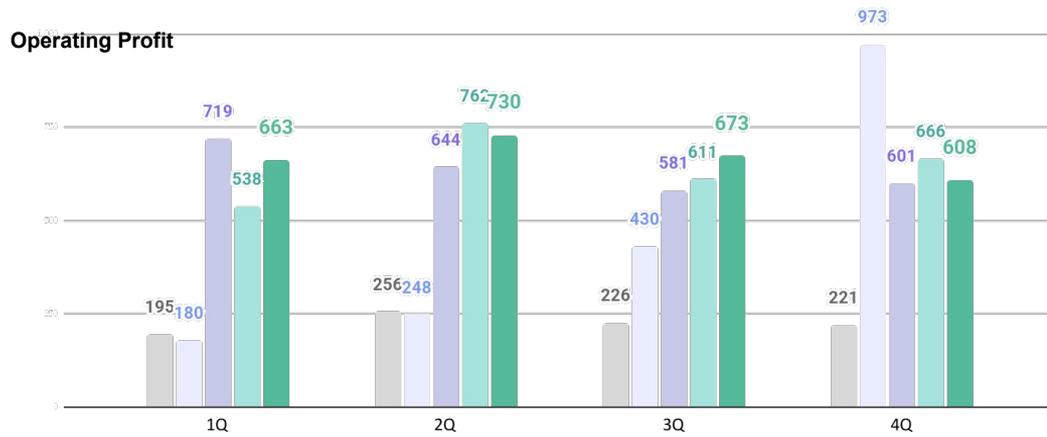


4Q FY 2025 Business Results Payment Agency Services Segment Quarterly Trends

Unit: Millions of Yen



- Net sales hit an all-time high, consistently exceeding previous year levels each quarter due to new client onboarding and price optimizations.

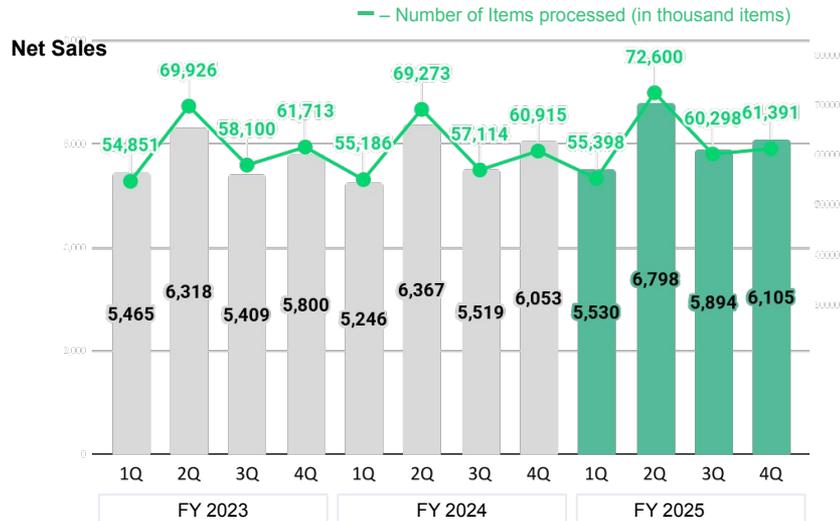


- Operating profit increased steadily alongside revenue growth
- 4Q profit saw a YoY decline due to higher procurement costs in certain payment segments; however, we intend to offset this by revising selling prices.

4Q FY 2025 Business Results Payment Agency Services Segment in Detail (Payment and Collection Agency Services / Online Payment Services)

Unit: Millions of Yen

- Transaction volume increased for large-scale accounts on boarded last year.
- New client implementations, primarily centered on local governments, are progressing steadily.
- Additionally, successful price pass-throughs in response to rising procurement costs contributed to revenue growth, maintaining a continuous year-on-year increase since the second quarter of last year.

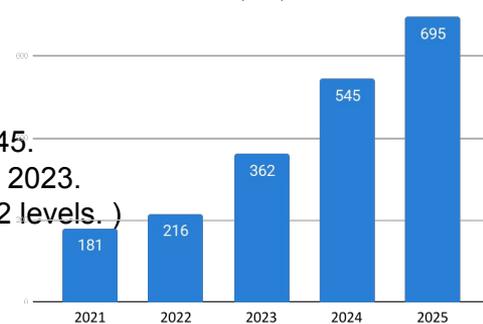


4Q FY 2025 Key Initiatives

Transformation into a Value-Creating Company

- DSK Transformation
 - Shifting to a Service-Based Model: Expanding the recurring revenue (increased 8% increase in value despite a 2.2-point decline in its overall ratio).
 - New Organization: Established the Business Design & Planning Division to drive Information Processing Service business.
 - New Initiatives: Planning and promoting new business initiatives and service development. (DAO, Digital Invoice)
- Strengthening Group-Wide Synergy
 - Executive Leadership: Appointed a dedicated Director to oversee group-wide collaboration.
 - Direct Supervision: Established the Sales Promotion Office within Densan System, reporting directly to the President to lead Group-wide sales efforts.
 - Strategy: Driving cross-organizational sales activities that transcend traditional organizational boundaries.
- Market Expansion (Adjacencies)
 - New Department: Established the Co-Creation Ecosystem Planning Office within the Business Design & Planning Division.
 - Focus: Planning and promoting next-generation payment services utilizing Web3 and blockchain technology. (e.g. Stablecoin payment infrastructure)
- Human Capital Development
 - Recruitment Growth: Welcoming 36 new graduates in April 2025 (vs. 25 new graduates and 89 mid-career hires in 2024).
 - Cloud Expertise: Certified cloud technology professionals reached a cumulative total of 545.
 - Strategic Support: Cloud certifications have been officially prioritized and supported since 2023. (Certification incentives in 2023 and 2024 have increased substantially compared to 2022 levels.) (Cloud-certification holders increased by 150)

Number Cloud certification holders (total)



FY 2026 Financial Forecasts

Unit: Millions of Yen

- **Net Sales:** Targeting 70.0 billion yen (a 2.7% increase YoY). The growth rate is expected to moderate due to the rebound effect following the large-scale GIGA School projects recorded in FY 2025.
- **Operating Profit:** Projected at 3.65 billion yen. We will expand R&D investments in strategic areas, including blockchain-based payment infrastructure.
- **Net Income:** Expected to decline YoY as tax rates normalize in FY2026. FY 2025 net income was temporarily elevated by a tax decrease following a subsidiary divestiture, creating a high baseline for comparison.

	FY 2025	FY 2026 Forecast	Amount Change	YoY
Net Sales	68,131	70,000	1,869	2.7%
Operating Profit	3,624	3,650	25	0.7%
Profit Margin	5.3%	5.2%	0.1%pt Down	
Ordinary Profit	3,843	3,850	6	0.2%
Ordinary Profit Margin	5.6%	5.5%	0.1%pt Down	
Net Income	2,896	2,620	▲ 277	▲ 9.6%
Adjustments to Segment Profit	5	0		

Reclassification of Sub-segments (Starting FY2026)

- Reorganized "SI / Software Development" and "Product Sales" into "SI, Software Development & Product Sales" and "Cloud & Licenses."
- Separated "Collection & Payment Agency Services" into "Offline Convenience Store Payments" and "Direct Debit."
- Integrated "Remittance Services" into "Collection-Related Services."

Segment	former Subsegment	New Subsegment	Description
Information Service	Goods & Product Sales	SI, Software Development & Product Sales	Contract development, customized package software sales, development/implementation/setup/maintenance for cloud services (Google-related, AWS, Salesforce), worker dispatching, technical support, and sales of network, software products, system hardware, and supplies.
	SI & Software Development		
	Information Process	Cloud & Licensing	Sales of licenses only (Google-related, AWS, Salesforce, security services), and provision of IDC services (Tono IDC).
	Others (Leasing, etc.)	BPO	Outsourcing (billing and document preparation, call centers, data entry, business process outsourcing, etc.), and information processing for gas stations, gas retailers, etc.
Payment Collection Services	Payment Collection Services	Others (Leasing, etc.)	Leasing of terminal, servers, etc.
	Online Payment Services	Convenience Store (Offline) Payments	Payment slip services, cashless payments (PayPay, etc.), and mobile payment service "Moba-light☆DSK."
	Remittance Services	Direct Debit	Direct debit services.
	Value-Added Payment Services	Online Payments	Credit card payment services and paperless convenience store payment services.
	Other Revenue	Value-Added Payment Services	Domestic remittances (Type II Funds Transfer Service), and "Biz@gent" (a service enabling payment slip processing at locations other than convenience stores).
		Other Revenue	Other revenue, including Buy Now Pay Later (BNPL) services.

FY 2026 Financial Forecasts: Information Services segment

Unit: Millions of Yen

- **Overall Segment Performance:** We anticipate continued steady performance, driven by high market demand for Cloud, AI, and Outsourcing services.
- **SI, Software Development & Hardware Sales:** Revenue is expected to decrease. This is due to a rebound effect following the 2025 peak in projects related to the GIGA School Initiative.
- **Cloud & Licensing:** Sales are expected to expand for Google Workspace and its associated value-added services.
- **BPO:** Slight revenue decline expected due to contract end with a major account.
- **Profitability Improvement:** We aim to enhance profit margins by reducing the proportion of low-margin hardware sales and implementing quality improvements in SI and Software Development.

	FY 2025	FY 2026 Forecast	Amount Change	YoY
Net Sales	43,061	43,790	728	1.7%
SI•SW Dev•Product Sales	23,793	20,071	▲ 3,722	▲ 15.6%
Cloud & Licensing	13,288	17,898	4,609	34.7%
BPO	5,888	5,723	▲ 166	▲ 2.8%
Other Revenue	91	99	7	8.1%
Operating Profit	942	1,544	601	63.8%
Operating Profit Margin	2.2%	3.52%	1.3%pt Up	

FY 2026 Financial Forecasts: Payment Agency Service Segment

Unit: Millions of Yen

- **Revenue Growth Strategies:** We plan to increase revenue across all sub-segments through the steady rollout of services for new clients.
- **Value-Added Payment Services:** Revenue is expected to decrease year-on-year due to the termination of a contract with a major client.
- **Key Service Promotion:** We will drive growth through strategic services, including "PAYSLE" (digital payment slips) and "TREE PAYMENT," which allows customers to select their preferred payment method.
- **Profitability Outlook:** Operating profit is projected to decrease due to rising costs—such as personnel expenses—and increased investments directed toward new business initiatives.

	FY 2025	FY 2026 Forecast	Amount Change	YoY
Net Sales	25,069	26,210	1,140	4.5%
Convenience Store (Offline) Payments	22,450	23,603	1,152	5.1%
Direct Debit	688	704	15	2.2%
Online Payments	1,188	1,287	98	8.3%
Value-Added Payment Services	368	232	▲ 137	▲ 37.1%
Other Revenue	372	384	12	3.3%
Operating Profit	2,676	2,106	▲ 570	▲ 21.3%
Operating Profit Margin	10.7%	8.0%	2.6pt Down	

Mid-Term Management Plan: FY2026 - FY2028

Unit: Millions of Yen

- **Strategic Review:** While market demand for AI and DX remains high, the creation of new business streams has taken longer than anticipated. Consequently, we have revised the three-year plan established previous fiscal year.
- **Information Services:** Revenue growth in FY2026 is expected to be modest due to the post-GIGA School project downturn; however, the expansion of our Cloud Services business remains on track.
- **Payment Collection Agency Services:** Operating profit is projected to decrease in FY 2026 due to increased investments in blockchain-based payment infrastructure. We anticipate these investments will yield significant results from FY2027 onward.

	FY 2025 Actual	FY 2026 Plan	FY 2027 Plan	FY 2028 Plan	Average YoY Growth rate
Net Sales	68,131	70,000	75,000	82,000	6.4%
Information Services Segment	43,061	43,790	47,290	52,064	
Payment Agency Services Segment	25,069	26,210	27,710	29,936	
Operating Profit	3,624	3,650	4,150	4,650	8.8%
Information Services Segment	942	1,544	2,092	2,504	
Payment Agency Services Segment	2,676	2,106	2,058	2,146	
Profit margin	5.3%	5.2%	5.5%	5.7%	
Information Services Segment	2.2%	3.5%	4.4%	4.8%	
Payment Agency Services Segment	10.7%	8.0%	7.4%	7.2%	

Mid-Term Management Plan: Key Initiatives (FY2026–FY2028)

Transforming into a Value-Creating Enterprise to Realize a Sustainable Society

DSK Transformation → **From vendor to co-creation partner**
Transitioning from contract development to Service-Based Business
Next-generation payment infrastructure

Deepening and Expanding AI & DX → **Leveraging "Licenses + Technical Expertise**
Scaling the DX Business

Deepening and Expanding the Payment Business → **Enhancing the profitability of existing businesses**
Market Creation

Human Capital Investment → **Attracting, developing, and retaining Top Talent**

Key Strategies for FY2026

Transformation into a Value-Creating Company

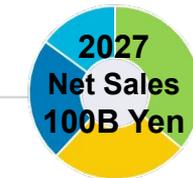
- DSK Transformation
 - Establishment of a Cross-Functional Sales Headquarters: Transitioning into a "co-creation partner" capable of meeting diverse client needs to maximize Lifetime Value (LTV).
 - Shift from **Contract Development to Service-Based Models**: Focused on the expansion of recurring revenue (stock-type) businesses.
 - **Next-Generation Payment Infrastructure**: Building a foundation utilizing stablecoins.
- Deepening and Expanding AI & DX
 - Business Model Pivot: Shifting from simple **license sales to high-value-added implementation support and solution-based business models** leveraging technical expertise.
 - Synergy and Specialization: Strengthening collaboration across group companies and **accelerating initiatives in industry-specific DX**.
- Evolution and Expansion of Payment Businesses
 - **Profitability Enhancement**: Expanding functionalities of existing payment services and optimizing commission structures for app-based payments.
 - **Market Creation**: Targeting public sectors and previously untapped fields to create new market demand.
- Human Capital Management
 - Talent Strategy: **Securing, developing, and retaining top-tier talent** by revising compensation packages, enhancing employee education, boosting engagement, and optimizing skill utilization.
- Other Strategic Initiatives
 - Organizational Reform: Flattening hierarchies to **accelerate decision-making and foster active communication**.
 - **Project Governance**: Strengthening review and monitoring systems to improve quality and margins while eliminating unprofitable projects.
 - Strategic Investment: Pursuing M&A and other **forward-looking investments** to foster new business creation and secure emerging technologies.

Long Term Plan FY2021 ~ FY2027

Unit: Millions of Yen

Challenge 1000

Targeting 100 Billion Yen in Net Sales by 2027



- Information Service**
- BPO Service
 - SW Development / Maintenance & Operations Services
 - Medical Service

68.1B Yen

- Payment Services**
- Payment Collection Agency Services
 - Guaranteed Post-Payment Services
 - Remittance Services
 - New Payment Services

- Cloud Services**
- Cloud Services
 - IDC Services

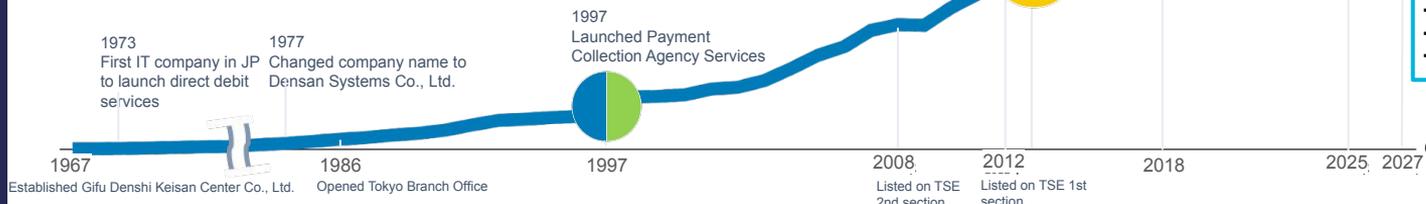
- New Business**
- Security Services
 - ERP/HR Services
 - Public and Education Sector Services
 - DX

2021 Establishment of **Densan System Holdings**; transition to holding company structure.

Entering the Era of Radical Change! Let's Embrace the Challenge!

Rooted in our Gifu-born spirit of challenge. With a proven track record of driving innovation, We carry that legacy forward to the next stage...

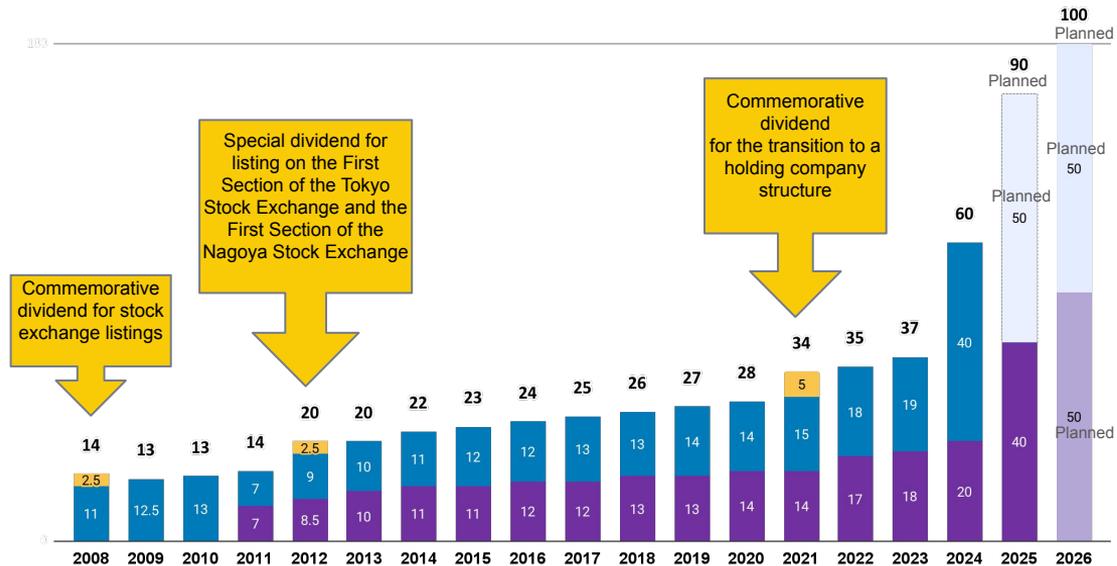
Igniting new innovation! One Group. One Goal. One strong organization, committed to the challenge.



Shareholder Returns

Our basic policy will be to conduct stable and continuous distribution of profits based on a comprehensive assessment of our financial position and business performance, while retaining sufficient reserves.

- FY 2024: Ordinary dividend: ¥60 per share per annum (interim ¥20, year-end ¥40)
Shareholder benefits: Specialties of Gifu Prefecture or a donation equivalent to ¥3,000 (for shareholders who have held one unit (100 shares) or more for at least one year)
- FY 2025 Plan: Annual ordinary dividend of ¥90 per share (interim ¥40, year-end ¥50) / per share
- FY 2026 Plan: Annual ordinary dividend of ¥100 per share (interim ¥50, year-end ¥50) / per share



Sustainability Policy



Driving New Innovation through Sustainability

At Densan System Group, Diversity is a core management strategy. We believe that respecting the unique individuality of our employees and maximizing their collective strengths is essential to meeting the evolving needs of our customers.

Building on our work-style reforms, we aim to create an organization where every employee can thrive. We will continue to drive growth by investing in human capital and health and productivity management.

Certified as a 2025 KIH Outstanding Organization (Large Enterprise Category)

We are proud to announce our certification as a "2025 Health & Productivity Management Outstanding Organization (Large Enterprise Category)" in recognition of our commitment to employee wellness.

■ What is the KENKO Investment for Health (KIH) certification system?

It is an award system operated by the Japan Health Council with the aim of creating an environment in which large corporations, small and medium-sized enterprises, and other corporations that practice especially excellent health management can receive social recognition from employees, job seekers, partner companies, financial institutions, and others by shedding a spotlight on these companies and their efforts. **【Health Management Initiatives】** https://www.ds-hd.co.jp/sustainability/social/health_management/



In order to realize sustainable corporate management, we will continue to build a safe and comfortable workplace environment where each and every employee can perform to the best of their abilities.

We will also further promote health management through activities worthy of the title of KIH Outstanding Organization.

Sustainability Policy



Creating an organization where every individual can excel

The Group company, Densan System Co., Ltd., has been awarded the two-star Eruboshi Certification (Level 2) with a two-star rating by the Minister of Health, Labour and Welfare. This certification recognizes companies for excellence in promoting the advancement of women. Moving forward, we will further enhance our workplace environment to ensure that women and all diverse talent can excel, while continuing to promote human capital development and health and productivity management.

Aiming for "Eruboshi (Level 3)" Three-Star Certification (Key Indicators)

- Ratio of female employees: FY 2024 28.7% ⇒ FY 2025 31.1% (up 2.4 points)
- Ratio of female managers: FY 2024 7.1% ⇒ FY 2025 9.2% (up 2.1 points) *Targeting the industry average of 12.6%

By promoting women to management and leadership levels, we aim to strengthen the trust and engagement of our female employees toward the company.

We are committed to building an environment that supports long-term career stability and work-life balance for employees in all life stages—including those raising children, planning for a family, providing nursing care, or senior staff. By fostering a supportive workplace, we aim to attract top talent and boost employee motivation across the Group.

Aiming for Kurumin Certification (new) (key indicators)

- | | | | |
|---|-----------------------|-----------|------------|
| ● Childcare leave acquisition rate (men): | Target 30% or higher | ✓ FY 2025 | 61.5% |
| ● Childcare leave acquisition rate (women): | Target 75% or higher | ✓ FY 2025 | 100.0% |
| ● Annual paid leave acquisition rate: | Target 75% or higher | ✓ FY 2025 | 72.7% |
| ● Average monthly overtime hours: | Target under 30 hours | ✓ FY 2025 | 7.58 hours |

Promoting Extended Leave: In September 2025, we launched an initiative to encourage employees to take consecutive leave (5 or more business days).

Driving Well-being: We will continue to improve our paid leave utilization rates to enhance the overall well-being and fulfillment of our workforce.

Initiatives to Achieve Management Conscious of Cost of Capital and Stock Price

While further strengthening our profitability, we will steadily implement measures to optimize the cost of capital, including timely and appropriate information disclosure and strategic financial/capital policies. We are committed to securing an ROE of 12% and enhancing our equity spread.

- Current situation (FY 2025)



- Initiative policies: To achieve specific corporate value improvements;

Strengthen ability to generate profit

- Create and develop new business for continued business expansion
- Strengthen our structure to be a highly profitable company

Strengthen financial and capital strategies

- Fulfill shareholder returns with priority on continuing stable dividends
- Strengthen investment in human capital
- Reduce cross-shareholdings

Reduce capital cost

- Proactive disclosure of risk information
- Strengthening of corporate governance
- Stabilization of the business portfolio

Topics

- 2025/01/06 DSK Expanded our convenience store payment agency business with a contract for national tax collection agency services

We expanded our role as public infrastructure with a new contract for national tax collection agency services
We aim to further expand the business by contributing to improved convenience for society as a whole, strengthening our stable revenue base, and building trust and our track record in the public sector.
- 2025/03/11 DSK Recognized as a 2025 KIH Outstanding Organization (Large Enterprise Category)

Improving the wellbeing of employees is an important initiative that will lead to higher productivity and corporate value. We will continue to promote it further to enhance our corporate value.
- 2025/03/21 DSK Contracted for the system development of 'My Roppo,' a mobile app by GYOSEI Corporation.

– Development of a legal code reader app utilizing generative AI –

This is an example of the use of generative AI leveraging Amazon Bedrock's RAG (Retrieval Augmented Generation) technology to enable natural language searches.
- 2025/04/17 DSHD,DSK Announcement of increases to employee base pay and starting pay for new graduates

To drive sustainable growth and engagement, we have revised our compensation structure—increasing base pay and new graduate starting salaries to attract and retain top talent.
- 2025/04/28 DSK Opened Kyushu Branch in Fukuoka Prefecture, making a full-scale entry into the Kyushu/Okinawa DX market,promoting DX of local governments and companies in the region

We aim to further accelerate customers' promotion of DX by building a service provision system rooted in the region.
- 2025/04/28 DSK Acceptance of the SaiCoin local digital currency in our Payment Agency Services

Enabling citizens to pay their municipal and prefectural taxes using SaiCoin by scanning barcode through the Saitama City App.

Topics

- 2025/06/02 DSHD,DSK Launch of EZASSIST FAX Order Automatic Reading to streamline fax order processing
We will support the promotion of DX and improvements in operational efficiency in the manufacturing and wholesale industries by drastically reducing the time and effort required for analog tasks in fax order processing and streamlining operations through paperless and digitized workflows, reducing the burden and errors of manual entry.
- 2025/06/12 DSHD,DSK Entered a collaboration agreement with Gifu Pharmaceutical University to promote DX utilizing AI and cloud services
This agreement aims to contribute to the development of the local community and the development of highly specialized human resources by enhancing the university's education, research, and administrative systems through the use of Google Workspace and AI. We plan to create advanced DX cases in the pharmaceutical field by combining the expertise of Densan System and the cooperation of Gifu Pharmaceutical University.
- 2025/06/18 DSHD,DSK Began offering two support packages for Google Cloud's new service, Google Agentspace
There are two types of packages, the Quick Start Support Package and the Utilization Promotion Support Package, which provide support tailored to the needs and implementation stage of each company, with the goal of promoting DX through AI adoption.
Densan System will maximize the potential of AI agents to strongly support companies in improving productivity and solving business challenges.
- 2025/06/30 DSHD,DSK Joined the ERP Cloud 360 Consortium to promote cloud ERP for mid-sized companies
We aim to strengthen our presence in the mid-sized company market by handling everything from sales to support for the cloud ERP solution ERP Cloud 360, which is built on Salesforce.
- 2025/08/01 DSK Started providing an integration service between Google Agentspace and the cloud-based data integration tool Reckoner
This service enables data from domestic SaaS (such as kintone and kaonavi) and on-premises environments to be easily utilized in Google Agentspace.

Topics

- 2025/08/18 DSK Contracted by Kawasaki City to build, operate, and maintain a temporary childcare system
 Provided the Minnano Michishirube Special Childcare Reservation System, which is developed, maintained, and operated by Densan System, to Kawasaki City to provide temporary childcare services.
- 2025/08/22 DSHD, DSK Sumitomo Mitsui Banking Corporation, Densan System, and Ava Labs, Inc. signed a basic agreement on joint study to create new stablecoin payment and management services
 We signed a basic agreement with Sumitomo Mitsui Banking Corporation and Ava Labs regarding stablecoin. We will aim and consider together to create new services related to the future payment, distribution, and operation of stablecoin, and we will support efficiency improvements.
- 2025/08/22 DSHD Notice of change of consolidated subsidiary (share transfer)
 We transferred all shares of consolidated subsidiary Micro Research Ltd. (excluding Micro Research from the scope of consolidated subsidiary)
- 2025/08/28 DSK Awarded as Partner of The Year 2025 Japan by Asana
 In Asana Business, made several significant contributions to growing licenses for new and existing customers within Japan, including: Long-term retention support for large customers exceeding 4,000 licenses, cross-selling to other departments through usage promotion, and internal adoption of AI Studio.
- 2025/08/28 DSK Recognized as a AWS 200 APN Certification Distinction
 We were recognized as a AWS 200 APN Certification Distinction due to reaching 200 Amazon Web Services (AWS) certifications held. We will continue to provide our clients with more specialized and extensive knowledge of AWS to further contribute to business transformation and increase corporate value.

Topics

- 2025/09/10 DSHD,DSK Launched NIPPON WONDER FACTORY, a co-creation project for tourism and regional development.

The mission of this project is to support people, goods, and money for regional development activities by awakening “wonder (surprise, excitement, and potential)” that lies dormant in local communities under the concept of being a supporting team for creating an attractive Japan. This is an alliance initiative in partnership with a wide range of service providers, rather than by Densan System alone.
- 2025/09/17 DSHD,DSK Basic agreement with JPYC inc. to jointly study social implementation of the JPYC Japanese yen stablecoin

This agreement further deepened the capital and business alliance announced on May 7, 2024. The two companies will utilize Densan System’s convenience store payment network of over 65,000 stores nationwide and the JPYC Japanese yen stablecoin issued by JPYC inc. to fulfill use cases such as B2C/B2B payment and inter-company settlements, aiming for social implementation.
- 2025/09/19 DSK Signed Japan Smart Chain vision partnership agreement with AltX Research K.K.

Through this partnership, we will jointly study the creation of use cases for the social implementation of B2C (for consumer) distribution and payment network infrastructure and next-generation payment services using blockchain technology. We will jointly study use cases and conduct a proof of concept (PoC) with the aim of commercializing a payment infrastructure for digital assets such as stablecoin, points, coupons, and NFTs, as well as next-generation payment services and Web3 wallet services.
- 2025/09/30 DSHD,DSK Launched the Tradeshift solution, a procurement and billing DX platform for Enterprises.

We launched license sales, introduction support, and operational support businesses as a Japanese market distributor of the Tradeshift solution provided by Tradeshift Japan Inc. Amidst the growing demand for digital invoicing and compliance response, we will leverage Densan System’s foundation in the payment and payment agency fields to promote the digital transformation of B2B transactions.

Topics

- 2025/10/24 DSK [Launch of AI Agent Implementation Support Services in Partnership with SparkPlusAI](#)

Partnering with SparkPlus Co., Ltd., we now offer one-stop support for AI Agent implementation—from process redesign to operational integration. This service accelerates business automation, driving client DX and productivity.
- 2025/10/29 DSHD,DSK [Corporate Hometown Tax Donation to Kobe City](#)

[~Supporting "Astep Coworking" to Enhance Work Styles for Women~](#)

In support of Kobe City's women's empowerment projects, we donated ICT equipment, including Chromebooks, to a local coworking space. By improving facility convenience and supporting diverse work styles, we aim to revitalize the local community and strengthen our partnership with the municipal government.
- 2025/11/05 DSHD,DSK [Launch of "BizCloudCare+": Making Cloud Server Operations Simpler and More Accessible](#)

Launched a new packaged cloud service covering construction, monitoring, and maintenance. Designed to offer professional-grade cloud management with the ease of a rental server, this service provides critical infrastructure support for SMEs pursuing cloud migration and digital transformation.
- 2025/11/18 DSHD [Strategic Acquisition of Unyte, Inc. \(Wholly Owned Subsidiary\)](#)

By acquiring Unyte—a specialist in Web3 and DAO infrastructure—we will fuse our core strengths with cutting-edge technology. This move aims to spearhead Web3 value creation through next-generation governance models and new community-led economies.
- 2025/11/19 DSK [Online Account Registration Added to DSK Direct Debit Service](#)

We have introduced a web-based registration feature to enable a fully paperless process. By significantly reducing manual effort for users and administrative burdens for clients, this update strengthens our competitive edge and drives transaction growth.
- 2025/11/21 DSK [11 Densan System Employees Named Google Cloud Partner Top Engineers 2026](#)

This recognition demonstrates the depth of our human capital in the cloud sector. By showcasing our technical expertise, we aim to further build client trust and drive the acquisition of high-value-added projects. .

Topics

- 2025/11/26 DSK [Two Employees Awarded at Google Cloud Partner Tech Influencer Challenge 2025](#)

Eleven employees were named "Partner Top Engineers" alongside two winners in the "Deep Dive" category. These awards validate our deep pool of human capital in cloud technology, strengthening client trust and driving the acquisition of high-value-added projects.
- 2025/12/05 DSK [Launched SMS Barcode Payment for Dr.JOY Healthcare System](#)

We introduced a new feature enabling patients to pay via barcodes sent through SMS. This service streamlines accounts receivable for medical institutions and improves patient convenience, expanding our revenue base in the Healthcare DX sector.
- 2025/12/26 DSHD,DSK [Sponsored "Gifu Kids Programming Award 2025"](#)

We supported next-generation IT talent by gifting a Chromebook to the grand prize winner. This initiative reinforces our commitment to our founding region of Gifu and contributes to long-term IT industry development and a sustainable digital society.
- 2025/12/26 DSK [Launched AI Booking Service "Sugu YOYAKU Concierge" on Salesforce AgentExchange](#)

We released an AI service that automates the booking process from customer interaction to registration. By helping the service industry mitigate labor shortages and prevent lost opportunities, we aim to accelerate growth in our Salesforce-related business.
- 2025/12/29 DSHD,DSK [Participated in "Food Drive GIFU 2025"](#)

We donated food collected from employees to reduce waste and support those in need. This action aligns with our SDG commitments to poverty reduction and responsible consumption, deepening our ties with the local community as part of our corporate social responsibility.

Topics

- 2026/01/09 DSK Partnership with EasyTechnology for Collection Agency Services
We have partnered with Fintech startup EasyTechnology to integrate their AI-driven debt collection expertise with our payment services. By automating and streamlining the dunning and collection process for Buy Now, Pay Later (BNPL) services, we aim to create new business opportunities within the Financial DX domain.
- 2026/01/21 DSHD,Unyte Launch of "vjra." a Backend as a Service for easy construction of Retrieval-Augmented Generation (RAG) using corporate chat histories and other data sources.
Introducing 'vjra,' a BaaS platform for building RAG systems effortlessly using corporate chat logs and internal data. We empower corporate DX by making AI adoption easier and turning internal information into a valuable asset.。
- 2026/01/22 DSHD,DSK Special Guest Lecture Conducted at Aichi Shinwa Gakuen Taisei High School
Through partnerships with educational institutions, we are committed to providing learning opportunities for the next generation of students and contributing to local community development.

Topics: Stablecoin Initiatives

2023/6 The revised Payment Services Act legally defined stablecoins as ‘Electronic Payment Instruments’ enabling their domestic issuance and circulation.
2025/8 JPYC was authorized as Japan’s first issuer of Yen-denominated stablecoin. 2025/10 Issuance of JPYC stablecoin commenced.

DSK’s Strengths
(existing payment network and customer base)



Advantages of Stablecoin
(low cost and high speed)

Digital transformation of payment infrastructure using stablecoin!

Aiming to build a next-generation payment infrastructure (payment gateway) harnessing the unique characteristics of stablecoin

Working with the best partners in the areas of finance, technology (global/domestic), and Web3 to rapidly advance business



Japan’s first issuer of JPYC, a yen-denominated stablecoin



A Japanese megabank (financial) promoting stablecoin business



Provides state-of-the-art blockchain technology required for stablecoin-related development



Provides blockchain infrastructure with a focus on domestic regulations



Supports building stablecoin payment and remittance infrastructure in collaboration with INTERTRADE Co., Ltd.

Various use cases under consideration: In-store payments, e-commerce payments, B2B payments, financial product payments, and other use cases are currently being explored and discussed, including seeking potential partners.

Extremely low payment/remittance processing fees

→ Lower fees than bank transfer fees, credit cards, QR code payments, etc., reducing costs

Payment and remittance infrastructure that allows for same-day receipt (same value as cash [Japanese yen] and can be converted into cash)

→ Individuals: Means of payment allowing receipt of payment for work on the same day, in line with the new era of work styles (e.g., supplemental income, crowdworkers, etc.).

→ Stores (businesses): An optimal means of payment to improve cash flow, receiving value for goods and services in real time as if it were cash