Densan System Holdings Co., Ltd. Financial Results

FY 2026 Q2

（Tokyo Stock Exchange Prime・Nagoya Stock Exchange Premier　Security 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 FY 2021 and before is that of Densan System Co., Ltd.

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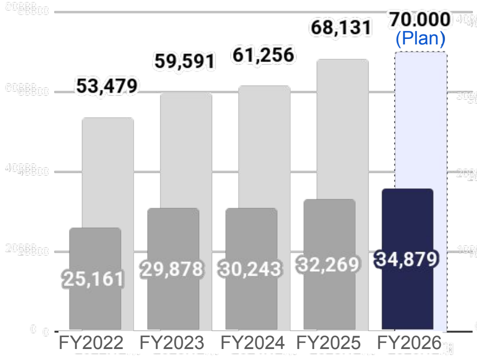
Business Results Highlights

Unit: Millions of Yen

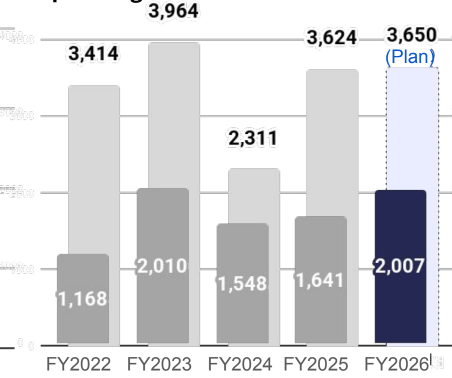
- **Net Sales**: Expanded steadily in the Information Services segment, led by Google, achieving 19 consecutive first halves of revenue growth.
- **Operating Profit**: Grew year-on-year behind revenue gains, successfully absorbing expense increases from labor costs, procurement unit costs, and new investments.
- **Full-Year Targets:** Both revenue and profit figures are progressing smoothly against initial targets; full-year forecasts remain unchanged.

	FY 2025 2Q Cum	FY 2026 2Q Cum	YoY Amount	YoY Ratio	Full-Year Plan	Progress
Net Sales	32,269	34,879	2,610	8.1%	70,000	49.8%
Operating Profit	1,641	2,007	365	22.3%	3,650	55.0%
Profit Margin	5.1%	5.8%	0.7%pt Up		5.2%	
Ordinary Profit	1,844	2,194	349	19.0%	3,850	57.0%
Ordinary Profit Margin	5.7%	6.3%	0.6%pt Up		5.5%	
Net Income	1,252	1,501	248	19.9%	2,620	57.3%

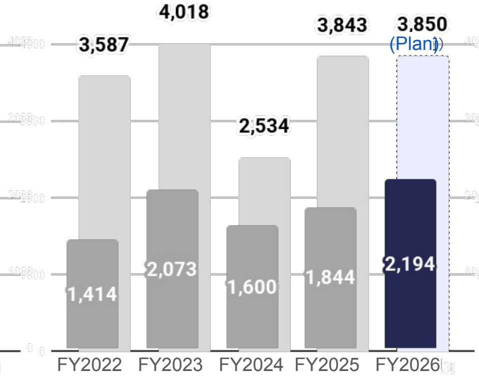
Net Sales



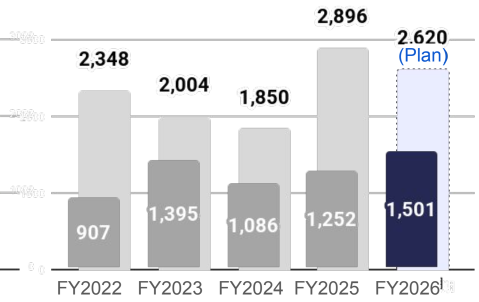
Operating Profit



Ordinary Profit



Net Income

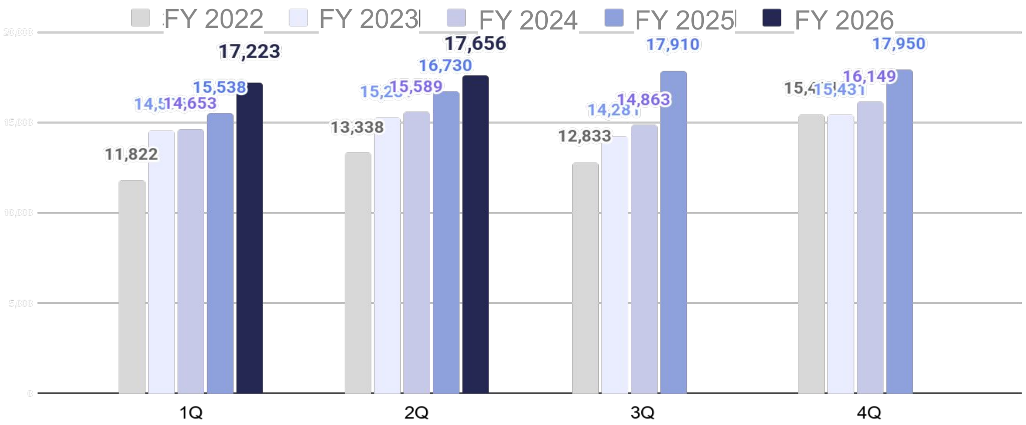


Business Results Quarterly Trends

Unit: Millions of Yen

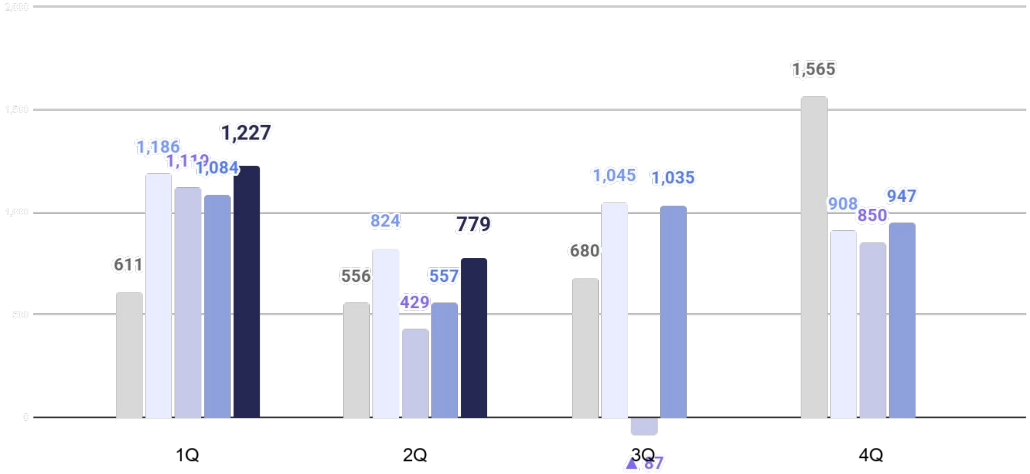
Net Sales

- **Net sales** increased steadily quarter over quarter.
- **Q2 Performance:** Reached a record high, following record-breaking results in Q1.



Operating Profit

- Profit grew substantially year-on-year, rebounding from unprofitable project impacts in the same period last year.
- Since FY2023, high-margin SI project acceptances have concentrated in Q1, leading to a QoQ profit dip in Q2 as a reaction to the prior quarter's peak.



Business Results Financial Condition(B/S)

Unit: Millions of Yen

Financial Conditions

- **Total Assets:** Up **¥9,794 million** vs. prior fiscal year-end; a decrease in cash and deposits was offset by a sharp rise in money trusts.
- **Liabilities:** Up **¥8,774 million** vs. prior fiscal year-end; driven mainly by higher deposits received for agency collections, despite lower accounts payable.
- **Net Assets:** Up **¥1,019 million** vs. prior fiscal year-end; primarily attributed to an increase in retained earnings.

	FY 2025	FY 2026 2Q	Amount Change
Total Asset	69,112	78,906	9,794
Current Asset	60,999	70,251	9,251
Non-Current Asset	8,113	8,655	542
Total Liabilities	44,230	53,004	8,774
Current Liabilities	43,008	51,918	8,909
Non-Current Liabilities	1,222	1,086	▲ 135
Total net assets	24,881	25,901	1,019
Equity ratio	35.6%	32.5%	3.1%pt Down
Deposit Received in payment agency services	22,288	32,157	9,869
Equity ratio excluding deposits received in payment agency	52.6%	54.9%	2.3%pt Up

Net Cash Analysis

- Temporary funds collected from customers under the agency collection service business are dual-booked as **"Liabilities (Deposits received for agency collections)"** and **"Assets (Money in trust, etc.)"**.
- Factoring in these business dynamics, effective net cash available for capital allocation and strategic investment was **¥17,524 million** at period-end.

	FY 2025	FY 2026 2Q	Amount Change
A) Total Cash	39,985	50,279	10,293
Cash and deposits	22,666	20,705	▲ 1,961
Money held in trust	17,319	29,574	12,254
B) Deposits received in payment agency services	22,288	32,157	9,869
C) Interest-bearing debt	629	597	▲ 31
Net Cash（A-B-C）	17,067	17,524	456

Cash Allocation Strategy

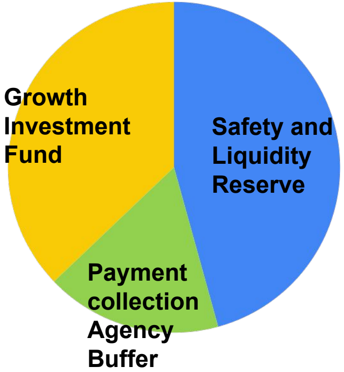
Flow：Use of Free cash flow

Optimizing Capital Allocation to Drive Strategic Growth

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（¥17.5 billion in FY 2026 Q2）

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** Capital allocated for agile M&A to expand into new business areas and acquire technical capabilities.(¥6.5 billion)



※ **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.**

Business Result: Information Services Segment Summary

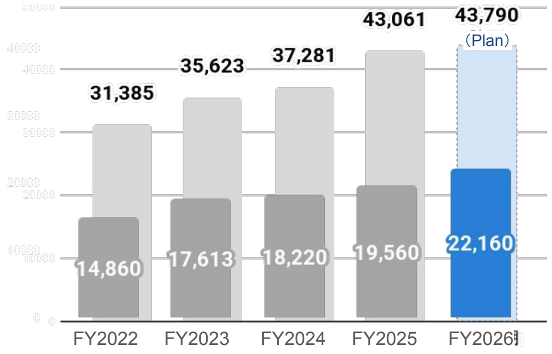
Unit: Millions of Yen

- **System Integration & Software Development:** Revenue expanded on strong performance in systems for auto auctions and other SI projects.
- **Google Solutions:** Revenue was driven up by steady growth in new Google contracts, which boosted demand for implementation services and license sales.
- **BPO Services:** Revenue remained flat year-on-year; despite a decline in transaction volume from a major client, this was offset by new customer acquisitions and the expansion of existing accounts.
- **Operating Income:** Operating profit increased significantly year-on-year. Although labor costs and procurement unit costs rose, profit growth was fueled by higher revenue, operational efficiencies, and the absence of unprofitable projects that impacted the prior period.

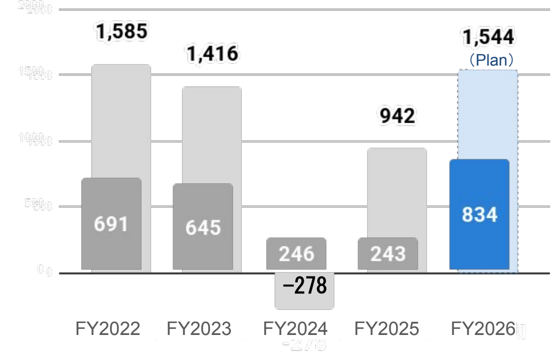
	FY 2025 2Q Cum	FY 2026 2Q Cum	YoY		Full-Year Plan	Progress
			Amount	Ratio		
Net Sales	19,560	22,160	2,599	13.3%	43,790	50.6%
SI・SW Development・Product Sales	10,328	11,313	984	9.5%	20,071	56.4%
Cloud license	6,480	8,071	1,590	24.5%	17,898	45.1%
BPO	2,705	2,729	23	0.9%	5,723	47.7%
Other revenue	45	45	0	0.9%	99	46.2%
Operating Profit	243	834	591	243.3%	1,544	54.1%
Operating Profit Margin	1.2%	3.8%	2.5%pt Up		3.5%	

Note: As announced in the Financial Results Presentation for the Fiscal Year Ended December 2025, sub-segment classifications have been revised starting from the current fiscal year (FY ending December 2026).

Net Sales



Operating Profit

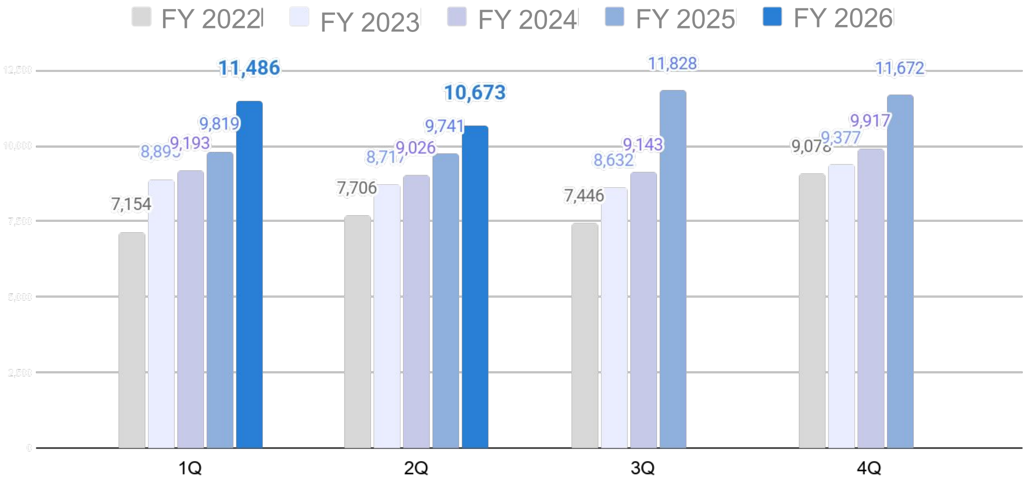


Business Result: Information Services Segment Quarterly Trends

Unit: Millions of Yen

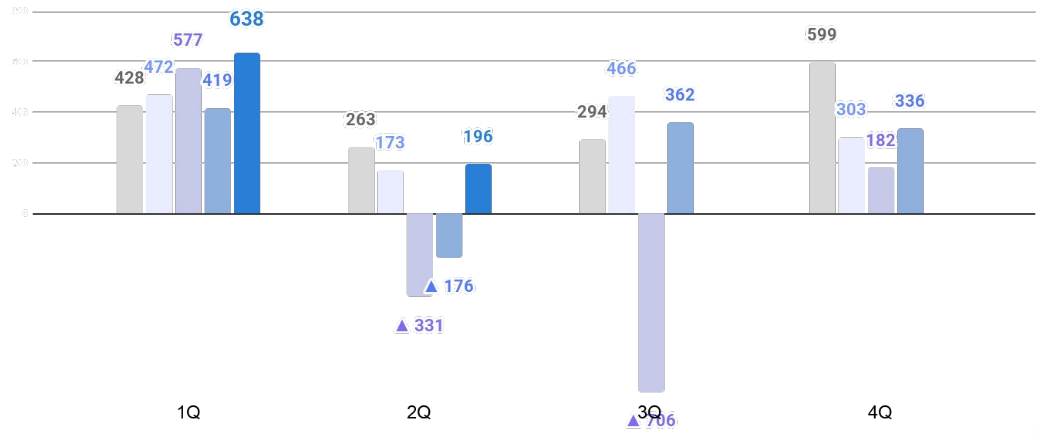
Net Sales

- Net sales continued to increase steadily quarter over quarter.
- Driven by strong performance in Google-related services and various SI projects, Q2 net sales reached a record high.



Operating Profit

- Operating profit expanded steadily, supported by top-line revenue growth.
- Profitability dipped in 2024 and 2025 due to the impact of unprofitable projects.
- Q2 operating profit remained below Q2 2022 levels due to an expansion in strategic investments.



Business Result: Information Services Segment Details (Google Business)

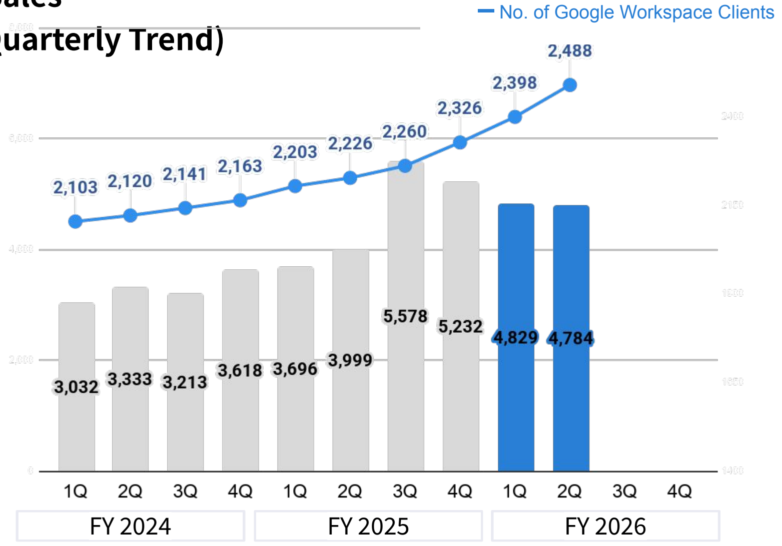
Unit: Millions of Yen

- The number of client companies using Google Workspace expanded steadily, adding 90 companies in Q2.
- Compared to the same period of the previous fiscal year, the client base grew by 262 companies (+11.8%), with net sales increasing by ¥785 million (+19.6%).
- Q2 revenue decreased compared to Q1 as large-scale GIGA School Project deliveries wound down in Q1.

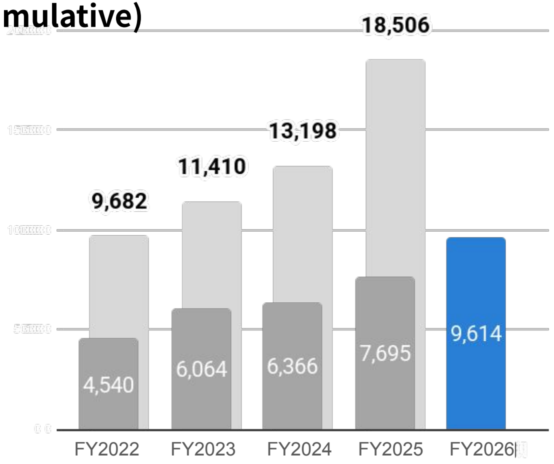
Google Workspace Clients:
2,488
(Google Business Revenue Up 19.6 % YoY)

Net Sales

(Quarterly Trend)



(Cumulative)



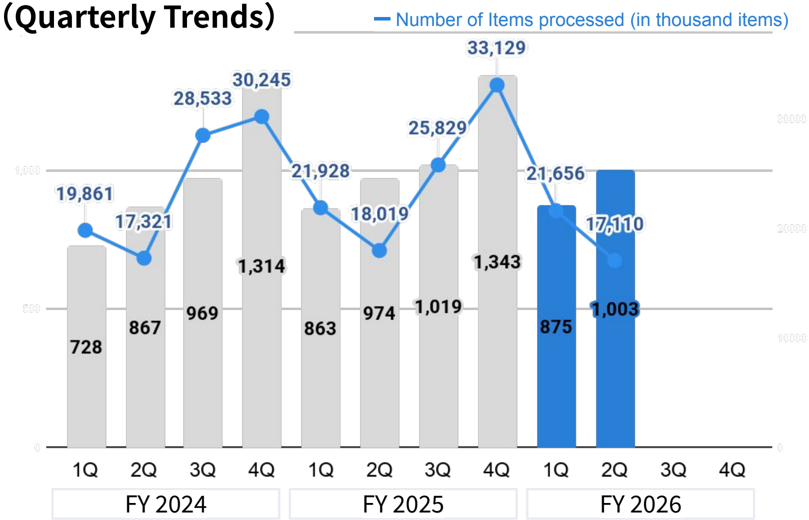
Business Results: Information Services Segment（Outsourcing）

Unit: Millions of Yen

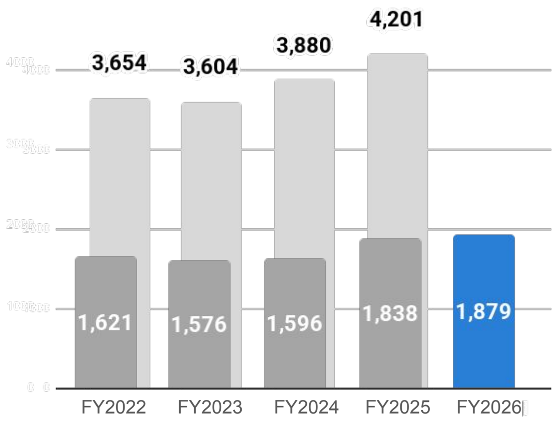
- The scope of reporting for Outsourcing under the Information Services segment remains identical to BPO in the previous fiscal year.
- Transaction volumes decreased starting from Q1 due to a major client transitioning operations in-house.
- Processing volume reached 17 million items (down 5.0% year-on-year). However, driven by shifts in the sales service mix and price revisions, Q2 net sales rose to ¥1,003 million, an increase of 3.0% year-on-year.
- While data entry operations and shipping label printing services remain on a downward trend, performance held flat in Q2.

Net Sales

（Quarterly Trends）



（Cumulative）

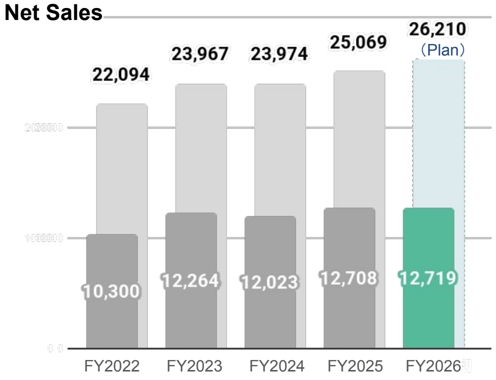


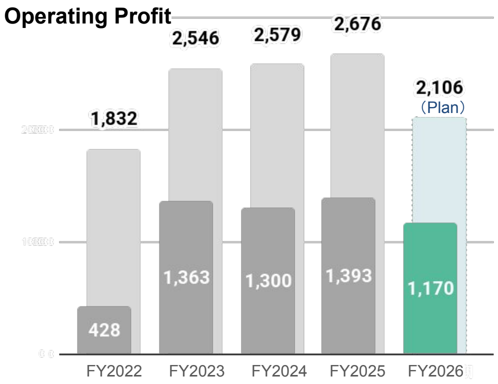
Business Results: Payment Agency Services Segment Summary

Unit: Millions of Yen

- **Offline Payment Services:** Increased slightly YoY as strong public sector acquisitions compensated for lower volumes at select corporate clients.
- **Direct Debit & Online Payments:** Both segments achieved YoY growth on new client activations.
- **Ancillary Services:** Net sales fell following client contract terminations in over-the-counter collection services.
- **Other Revenue:** Dropped **15.9% YoY** on lower transaction volumes from existing post-payment (BNPL) accounts.
- **Operating Profit:** Totaled **¥1,170 million (-16.0% YoY)**. Despite budgeted margin pressure from cost increases and growth investments, productivity gains helped keep profit progress ahead of revenue progress against full-year targets.

	FY 2025 2Q Cum	FY 2026 2Q Cum	YoY		Full-Year Plan	Progress
			Amount	Ratio		
Net Sales	12,708	12,719	10	0.1%	26,210	48.5%
Offline Convenience store payments	11,379	11,444	65	0.6%	23,603	48.5%
Bank Transfers/Direct Debits	339	348	8	2.5%	704	49.5%
Online Payments	609	632	22	3.6%	1,287	49.1%
Ancillary Collection Services	190	135	▲ 55	▲29.0%	232	58.3%
Other Revenue	189	159	▲ 30	▲15.9%	384	41.4%
Operating profit	1,393	1,170	▲ 223	▲16.0%	2,106	55.6%
Operating profit margin	11.0%	9.2%	1.8%pt Down		8.0%	





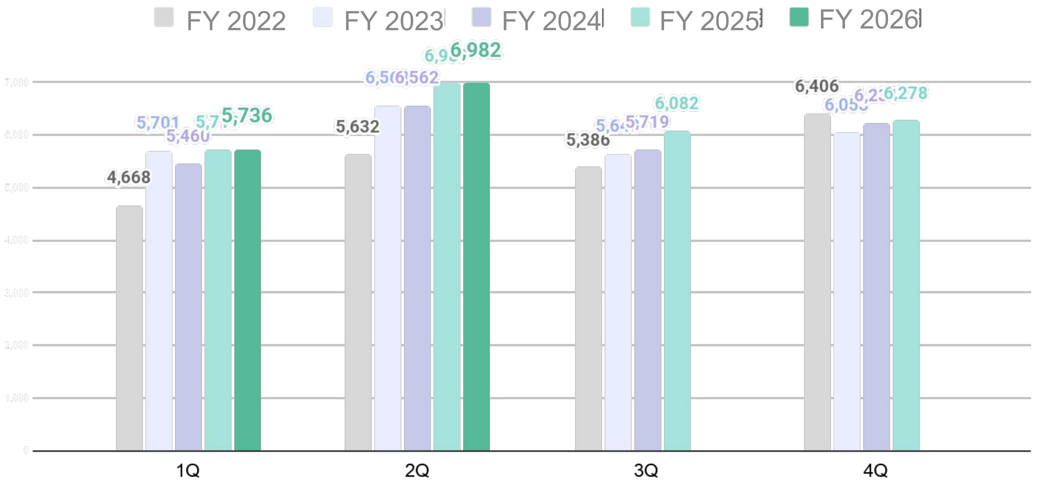
Note: As announced in the Financial Results Presentation for the Fiscal Year Ended December 2025, sub-segment classifications have been revised starting from the current fiscal year (FY ending December 2026).

Business Results: Payment Agency Services Segment Quarterly Trends

Unit: Millions of Yen

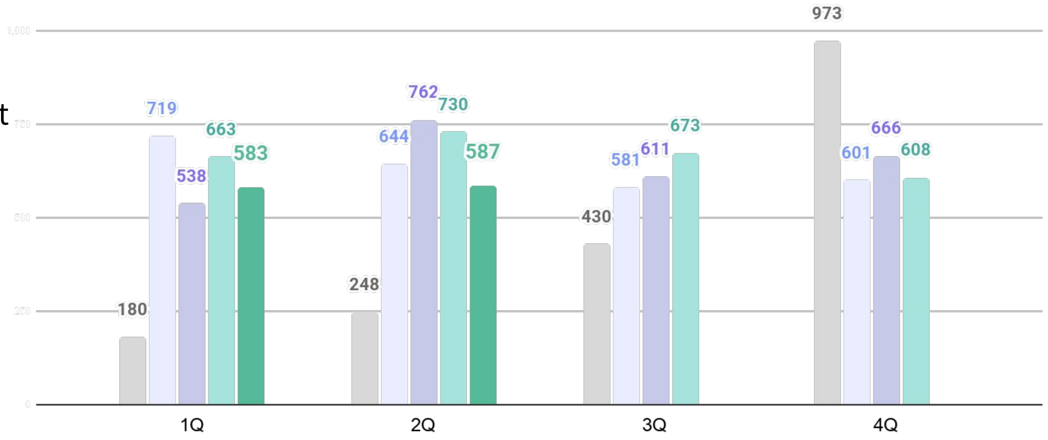
Net Sales

- **Net sales** showed steady upward momentum overall, despite performance variance across accounts driven by major client rollouts, contract terminations, and pricing adjustments.
- **Q2 Revenue:** Held flat year-on-year; seasonal strength in municipal collection volume was neutralized by lower transaction volumes among private enterprise clients.



Operating Profit

- **Profit Volatility:** Operating profit experiences significant quarterly fluctuations, driven by shifts in net sales as well as fluctuations in procurement unit costs.
- **Q2 Profit Impact:** Operating income fell by ¥143 million. Price adjustments in select service lines provided a positive boost, but were outweighed by higher investment spend and top-line weakness in over-the-counter collection and post-payment (BNPL) segments.



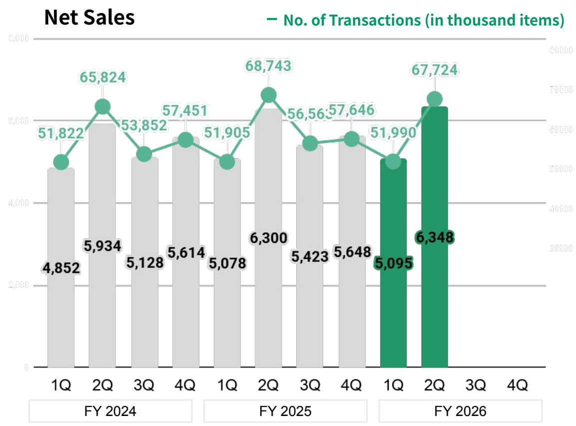
Business Result: Payment Agency Services Segment Details

Unit: Millions of Yen

Offline Convenience Store Payment

- **Q2 Seasonality:** Significant growth in volume and revenue due to local tax collection peak.
- **Q4 Peak**: Increased transaction volume driven by seasonal gift demand.
- **Sector Mix:** Modest overall growth as expansion in public sector (local government) contracts offsets the gradual decline in private sector volumes.

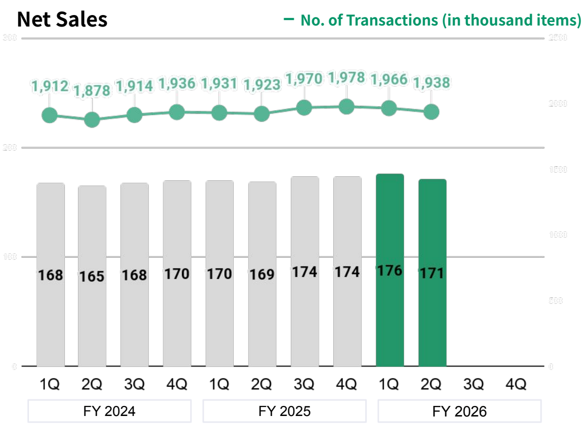
Net Sales YoY	+0.8 %	(Cum. +0.6%)
Transaction Volume YoY	-1.5 %	(Cum. -0.8%)



Bank Transfers/Direct Debits

- **Stability:** Driven heavily by tuition payments, ensuring stable performance with low volatility.
- **Growth:** Maintains steady top-line growth through continuous new client onboarding.
- **Seasonality:** Q1 spikes on annual membership fee processing, leading to sequential Q2 declines in both volume and revenue.

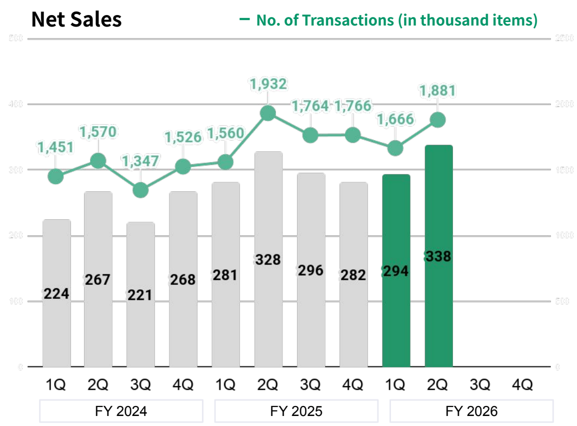
Net Sales YoY	+1.4 %	(Cum +2.5%)
Transaction Volume YoY	+0.8 %	(Cum +1.3%)



Online Payments

- **Scope**: Convenience store paperless payments and credit card transactions.
- **Seasonality**: Q2 consistently surges on tuition and learning material billing.
- **Q2 Trend**: Revenue grew on higher unit prices, successfully offsetting volume declines from the non-recurrence of prior-year Expo demand.

Net Sales YoY	+3.0 %	(Cum +3.6%)
Transaction Volume YoY	-2.6 %	(Cum +1.6%)



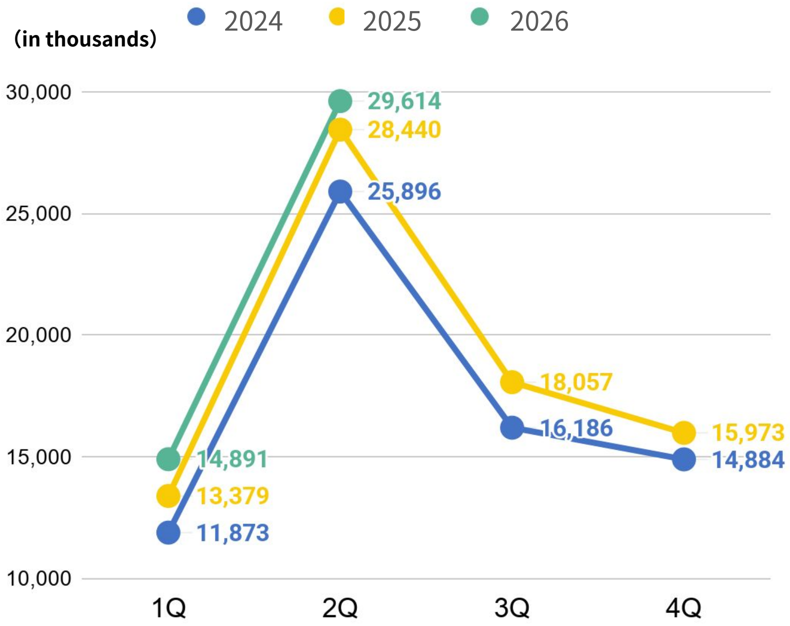
Payment Agency Services Segment Details（Offline Convenience Store Payment)

Transaction Volume Trend for Local Government Convenience Store Payment Slips

Volume

YoY　　+4.1% (Cum.+6.4%)

(Local Gov.Mix　2Q 41.4%→43.7%　Cum 34.7%→37.2%)



- **Q2 Volume: +4.1% YoY**, maintaining steady quarter-on-quarter growth.
- **Public Sector Share & Outlook:** As private sector volumes decline, municipal transactions rose to **37.2%** of total convenience store collections (**43.7%** in Q2 due to peak tax processing). This trend is expected to continue.

※Convenience store offline payments match the previous "Collection Agency Services" sub-segment; data on this page aggregates local government transactions only.

FY 2026 Initial Financial Forecast（Full Year）

Unit: Millions of Yen

- **Revenue Growth**: Deceleration expected due to high baseline from prior-year GIGA School projects.
- **Operating Income**: Strategic expansion of R&D investments in blockchain payment infrastructure.
- **Net Income**: Forecasted to decrease YoY; corporate tax rates will normalize following one-time tax gains in FY 2025 (subsidiary share sale).

Information Services

- High market demand for Cloud/AI/Outsourcing; steady growth outlook maintained.
- SI & Software Development: Revenue decline anticipated following the FY2025 GIGA School project peak.
- Cloud & Licenses: Continued sales expansion in Google Workspace and ancillary solutions.
- BPO: Slight revenue decline expected due to the termination of a major client contract.
- Profit Margin Improvement:Strategic reduction in low-margin product sales and enhanced profitability through quality improvements in SI and software development.

	FY 2025	FY 2026 Plan	Difference	YoY Comparison
Net Sales	68,131	70,000	1,869	2.7%
Information Services Segment	43,061	43,790	728	1.7%
Payment Agency Services Segment	25,069	26,210	1,140	4.5%
Operating Profit	3,624	3,650	25	0.7%
Operating Profit Margin	5.3%	5.2%	0.1%pt Down	
Information Services Segment	942	1,544	601	63.8%
Operating Profit Margin	2.2%	3.5%	1.3%pt Up	
Payment Agency Services Segment	2,676	2,106	▲ 570	▲21.3%
Operating Profit Margin	10.7%	8.0%	2.6%pt Down	
Ordinary Income	3,843	3,850	6	0.2%
Ordinary Income Margin	5.6%	5.5%	0.1%pt Down	
Net Income	2,896	2,620	▲ 277	▲9.6%
Adjustments to Segment Income	5	0		

Payment Agency Services

- Revenue growth planned across all sub-segments through new client acquisition.
- Ancillary Services: Projected YoY revenue decline following a major client’s contract termination.
- Service Expansion: Focused promotion of "PAYSLE" (electronic slips) and "TREE PAYMENT" (multi-payment gateway).
- Profitability: Operating income expected to decrease due to rising labor costs and upfront investments in new business ventures.

Information Services Segment Net Sales	FY 2025	FY 2026 Plan	Difference	YoY Comparison
Net Sales	43,061	43,790	728	1.7%
SI・SW Dev・Product Sales	23,793	20,071	▲ 3,722	▲15.6%
Cloud・License	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%

Payment Agency Segment Net Sales	FY 2025	FY 2026 Plan	Difference	YoY Comparison
Net Sales	25,069	26,210	1,140	4.5%
Offline Convenience Store Payment	22,450	23,603	1,152	5.1%
Bank Transfer/Direct Debits	688	704	15	2.2%
Online Payment	1,188	1,287	98	8.3%
Ancillary Collection Services	368	232	▲ 137	▲37.1%
Other Revenue	372	384	12	3.3%
Operating Profit	2,676	2,106	▲ 570	▲21.3%

FY 2026 Key Initiatives and Q2 Progress Update

Key Strategic Themes	Initiatives	Q2 Strategic Milestones and Achievements
DSK Transformation	Established Cross-functional Sales HQ .Maximizing LTV as a "Co-creation Partner" to meet diverse needs. Shift from contract-based to service-based (Recurring Rev). Building a cutting-edge framework leveraging stablecoins.	• Established Sales HQ (Jan): Promoting account-based sales to deepen customer relationships. • Focused on securing maintenance contracts; exploring synergies between maintenance and BPO services to expand recurring revenue. • Preparing to build the next-generation payment infrastructure.
Deepening and Expanding AI • DX	Shifting from license sales to expert-led implementation and problem-solving value-added solution business Group Synergies for Targeted DX, accelerating DX initiatives tailored to specific industry sectors.	• Secured large scale public sector DX project • Launched AI-Driven PoC Initiatives
Evolution and Expansion of Payment Business	Enhancing Profitability by strengthening services and optimizing app-based payment fees. Market creation by targeting public sectors and untapped fields to create new market demand.	• Pricing Revision: Selling unit prices revised effective April. • Expanding payment domains to explore new use cases and application areas.
Human Capital Management	Aim to attract, develop and retain high-caliber talent by revising compensation structure, expanding professional education, and boosting employee engagement.	• Extended retirement age and implemented Base-up • Deployed a “Talent Collaboration Tool” to drive cross-divisional synergy. • Certified as a "Health & Productivity Management Outstanding Organization" (Large Enterprise Category) for two consecutive years.
Other Strategic Initiatives	Flattening hierarchy to accelerate decision-making and foster active communication. Profitability and Governance: Enhancing project monitoring to eliminate losses and boost margins. Driving growth through strategic M&A, R&D and new business creation.	• Implemented organizational flattening in January to streamline reporting lines and enhance operational agility.

Shareholder Returns

Basic Policy

Our basic policy is to maintain stable and continuous returns to shareholders while securing sufficient internal reserves to support future business expansion and strengthening our management foundation.

Dividend

FY2026 Dividend Forecast

Annual Dividend 100 JPY per share

(Interim 50 JPY, Year-end 50 JPY)

Planned Increase

FY2025 Dividend

Annual Dividend 90 JPY per share

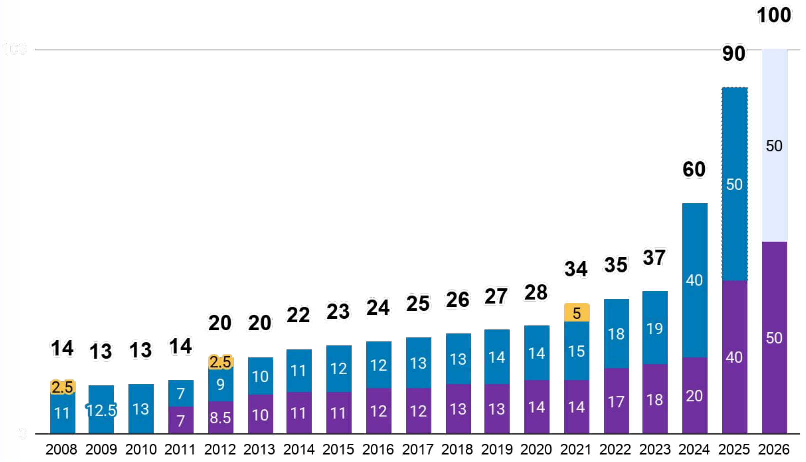
(Interim 40 JPY, Year-end 50 JPY)

Shareholder Benefit Program; Gifu Prefecture specialty products (worth 3,000 JPY) or a charitable donation.

(Applicable to shareholders holding 1 unit (100 shares) or more for at least one consecutive year)

Dividend History

(Unit：JPY)



FY 2008 Commemorative Dividend (2.5 JPY) for Initial Public Listing
FY 2012 Special Dividend (2.5 JPY) for Listing on the First Sections of the Tokyo Stock Exchange and Nagoya Stock Exchange
FY 2021 Commemorative Dividend (5 JPY) for Transition to a Holding Company Structure

Data for FY 2020 and earlier refers to Densan System Co., Ltd.
Data for FY 2021 onwards succeeds the information of Densan System Co., Ltd., which became a split-off wholly owned subsidiary through a sole share transfer.
Historical dividend figures have been retroactively adjusted to account for past stock splits.

Sustainability Policy・Human Capital Initiatives

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.

Health & Productivity Management Outstanding Organization 2026 (Large Enterprise Category)

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Certified for 2 consecutive yrs

To create a safe and comfortable environment where every individual can perform to their full potential.

Strengthening Follow-ups to Reach 100% Participation: 2025 Actual
Annual Health Checkups: 100%
Stress Checks: 93.0%

Creating a Workplace Where Everyone Can Thrive and Achieve Work-Life Balance

FY 2026 Initiatives At Group company Densan System Co., Ltd.

- Support for Senior Talent: Revised regulations to extend the employment cap to age 70.
- Healthcare Support: Introduced subsidies for optional medical screenings during annual health checkups.

Aiming for "Eruboshi " 3-Star Certification

Currently 2-star certified. We are improving key indicators to achieve the highest 3-star ranking by promoting women to management and executive levels.

KPIs

Updated from 45%

KPI	FY2024 Actual	FY2025 Actual	As of June end 2026	Target
% of women among New grad and mid-hires	44.4%	54.7%	48.8%	50%
Ratio of Female Managers	7.1%	9.2%	8.7%	Target (Industry ave.) 12.6%
Overall % of female employees	28.7%	31.3%	32.8%	30.0%
Average monthly overtime hours	8.88 hrs	7.58 hrs	7.17 hrs	Less than 10 hrs

Aiming for "Kurumin" Certification (new)

To enhance employee well-being, we began implementing various environmental improvements in 2025, such as promoting the taking of consecutive holidays.

KPIs

KPI	FY2024 Actual	FY2025 Actual	As of June end 2026	Target
Parental Leave Rate (Male)	71.4%	61.5%	80.0%	30%
Parental Leave Rate (Female)	100.0%	100.0%	100.0%	100%
Paid Leave Usage Rate	73.2%	72.7%	74.7%	70%
Average monthly overtime hours	8.88 hrs	7.58 hrs	7.17 hrs	Less than 10 hrs

Action to Implement Management Conscious of Cost of Capital and Stock Price

We will work to further enhance our profitability and steadily implement measures to improve the cost of capital, including timely and appropriate information disclosure as well as financial and capital policies. Our goal is to **secure an ROE of 12%** while consistently increasing our equity spread.

- **Current Situation（FY2025）**

Corporate Value

Equity Spread
6.5 %

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ROE
12.4 %

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Shareholder's Equity Cost
5.9 %

- **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　2026 News Releases

2026/01/21	DSHD、Unyte	Launched "vjra," a Backend-as-a-Service for Seamless RAG Integration New service enabling easy construction of Retrieval-Augmented Generation (RAG) using corporate chat logs. Supporting enterprise AI adoption to capture DX demand and contribute to high-value-added IT solution revenue.
2026/02/18	DSHD、Unyte	Participating in the Osaka "Super City" National Strategic Special Zone Selected for the Cabinet Office's FY2025 survey project on advanced service development. We aim to build a track record in national DX and smart city projects to facilitate future nationwide rollout.
2026/03/12	DSK	Launched "DSK Account Transfer Data Transmission Service" for Aichi Municipalities Expanding our presence in Aichi Prefecture. Accelerating the deployment of BPO services in public fund collection—a stable source of recurring (stock-type) revenue.
2026/03/12	DSHD、DSK	Certified as a "Health & Productivity Management Outstanding Organization 2026" Achieved certification for two consecutive years. Showcasing our commitment to sustainability by protecting employee health and boosting productivity from an ESG investment perspective.
2026/04/21	DSK	Promoting DX through a Partnership Agreement with Gifu Pharmaceutical University. Conducted the SPRING Scholarship Workshop "Utilizing Generative AI in Research" for research students. Providing comprehensive support for DX in research, education, and university administration by leveraging Google Workspace and AI. This serves as a proven track record of providing sophisticated solutions in the educational and medical sectors.
2026/04/22	DSK	Winner of the Google Cloud Partner of the Year for "Artificial Intelligence: Workplace AI Transformation - Japan" Our comprehensive support for large-scale Generative AI transformations using Google Workspace and Gemini was highly evaluated.

DSHD：Densan System Holdings Co., Ltd. / DSK：Densan System Co.,Ltd.

Topics　2026 News Releases

2026/05/20	DSHD、DSK	Densan System and Financie Form Capital and Business Alliance in Web3 × Regional Revitalization to Jointly Roll Out Regional Revitalization Platform "NIPPON WONDER FACTORY" Densan System Co., Ltd. has entered into a capital and business alliance with Financie, Inc. to initiate the joint rollout of a Web3-powered regional revitalization platform.
2026/06/19	DSK	Densan System Concludes Partnership Agreement with Wakkanai City, Hokkaido to Evaluate Government Operational Efficiency of Cloud Tools Jointly Verification of Operational Efficiency, Security, and Generative AI Utilization in a Cloud-Native Environment
2026/06/29	DSK	Hachijo Town Rebuilds Network Infrastructure with Google Workspace for Education and MacBook to Achieve School Zero-Trust Architecture Supporting the establishment of a robust zero-trust security framework and modern network environment for Hachijo Town's educational institutions.
2026/06/30	DSK	Densan System Launches Dedicated Portal for "Gemini Enterprise," Google Cloud's Enterprise AI Agent Platform Strengthening Information Delivery to Support Corporate Adoption of AI Agents Launched a dedicated portal showcasing implementation support services and core capabilities for "Gemini Enterprise," Google Cloud's enterprise-grade generative AI platform.

DSHD：Densan System Holdings Co., Ltd. / DSK：Densan System Co.,Ltd.

Topics　2026 News Releases

2026/07/28	DSK	Densan System Delivers "Hybrid Deployment" Support for Google Workspace to Drive Municipal DX in Takasaki City Supporting ~4,000 municipal staff, Densan System deployed Google Workspace via a proprietary hybrid model alongside legacy software—cutting costs while driving efficiency with Gemini AI.
2026/08/05	DSK	Densan System Honored with "Appreciation for Excellent Partnership 2026" Awards from Chrome Enterprise and Google for Education™ in Four Divisions: ChromeOS™, Chrome Enterprise Premium, Google for Education Reseller, and Google for Education PD Became the first reseller to achieve a four-category sweep at Partner Summit Japan 2026, recognized for strong sales performance, advanced technical capabilities, and expansion into new domains.

DSHD：Densan System Holdings Co., Ltd. / DSK：Densan System Co.,Ltd.

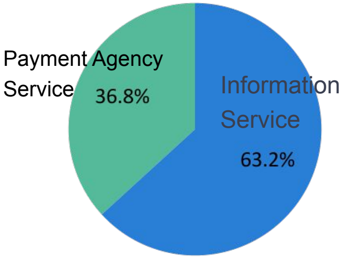
Thank you very much

【Contact for IR Inquiries】
Investor Relations, DENSAN System Holdings Co., Ltd.
(Please visit our corporate website for contact details)

Appendix: Company Overview

Established： July 2021 (Established as a holding company through a sole-share transfer of Densan System Co., Ltd.)
Representative：Ryoji Kobayashi, President and CEO **Capital**： 2,510.39 million yen
Net Sales：FY2025/12 68,131 million
（Information Service Segment 43,061 million / Payment Agency Services Segment 25,069million yen ）
Offices： Gifu HQ（Gifu-city, Gifu）/ Tokyo HQ（Hatchobori,Chuo-ku, Tokyo） **No. of Employees**： Consolidated：1,065 (as of 2026/06)
History：1967 Established as Gifu Electronic Computing Center Co., Ltd., providing IT services for local businesses and organizations.
1973 Launched the first bank transfer service by a private company in Japan.
1977 Renamed to Densan System Co., Ltd. for nationwide business expansion.1997 Launched the first bank transfer service by a private company.
2006 Commenced Google business as a secondary partner. 2008 Promoted to primary partner following the launch of Google Apps
2008 Listed on the 2nd Section of the Tokyo Stock Exchange and the Nagoya Stock Exchange. 2012 Upgraded to the First Section of both exchanges.

Revenue by Segment: FY 2025



Group Companies（※Including equity-method affiliates ）

Densan System Co., Ltd. (Gifu-city, Tokyo)	Core operating company of DNS Holdings Group. Established 1967 as Gifu Electronic Computer Center Co., Ltd.; Renamed 'DNS Co., Ltd.' in 1977.
Softteks Co.,Ltd.（Miyazaki-City）	Develops/sells package software for dental clinics, medical systems, and provides information processing. Established 1993; joined DNS Group 2010 (strengthened dental/data entry).
DSK PAYMENT Inc. （Tokyo）	Provides system development, maintenance, and technical support; offers debt-guaranteed post-payment services. Established 1992; joined DNS Group 2010; renamed DSK Payment Co., Ltd. in May 2024.
Garden Network, Ltd. （Tokyo）	Offers information processing, system development, sales, and credit processing for gas stations and petroleum businesses. Established 2004; joined DNS Group 2014 (expanded/strengthened services in the energy industry).
GOGA, Inc. （Tokyo）	Specializes in map solutions and services using Google Maps Platform. Established 2006; joined DNS Group 2016 (expanded Google Cloud services).
PSI Inc. （Tokyo）	Imports, sells, and provides technical support for cutting-edge information security products. Established 1994; joined DNS Group 2020 (expanded security business).
Micro Research Ltd. （Tokyo）	Designs, develops, and sells proprietary IoT gateway products (custom/OEM/ODM). Established 2008; joined DNS HD Group 2021 (strengthened security). Scheduled to exit the Group in August 2025.
Chuo Management Consulting Ltd.（Gifu-City）	Supports implementation of business systems (especially accounting) and legacy systems; sells original attendance management software. Established 1991; joined DNS HD Group 2022.
Unyte Inc. （Tokyo）	Development of Web3 technologies, construction of DAOs, and the provision of integrated DAO platforms. Founded in 2022. Joined the Densan System Holdings Group in 2025 (to strengthen next-generation blockchain-based technologies).
System Engineering Corporation（Takayama-city, Gifu）※	Full-scale software development company promoting regional informatization. Established 1990 in Takayama City as a joint-investment cooperating company of Densan Systems Co., Ltd.
Juroku Densan Digital Service Co.,Ltd.（Gifu-City）※	Joint venture with Juroku Financial Group (2022). Promotes DX for local companies/governments by combining DNS solutions with Juroku's sales network.

Appendix: Corporate Philosophy

No Company can exist without creating customers.

Management Philosophy

Purpose (Reason for Being)

Contributing to society by creating a prosperous future through information technology and payment solutions, while fulfilling our customers' aspirations and dreams.

Vision (Beyond Realization of the Purpose)

・Challenge 1000 : Achieving 100 Billion JPY in net sales 7 Billion JP in operating income by 2027

・Transforming into a value-creating company for the realization of a sustainable society.

・DSK Transformation (DX)

Mission (Actions to Realize the Purpose)

・Creating New Value

・Challenge、Innovation、Speed

・Co-Creation

As a result

Shareholder Satisfaction (enhancing corporate value)

& Employee Happiness (improving well-being)

Appendix: Trends in Major Consolidated Financial Indicators

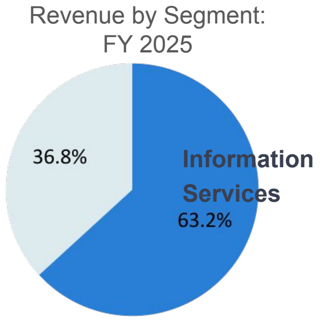
Unit: Millions of Yen

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Plan
Net Sales	50,356	53,479	59,591	61,256	68,131	70,000
Operating Profit	3,134	3,414	3,964	2,311	3,624	3,650
Ordinary Profit	3,210	3,587	4,018	2,534	3,843	3,850
Net Income	1,978	2,348	2,004	1,850	2,896	2,620
Total Assets	51,389	72,170	57,051	61,747	69,112	
Net Assets	17,605	19,665	20,774	22,294	24,881	
Operating Profit Margin	6.2%	6.4%	6.7%	3.8%	5.3%	5.2%
ROE	12.0%	12.7%	10.0%	8.70%	12.4%	10.3%

Appendix: Segment Description（Information Services Segment)

We provide optimal, one-stop IT solutions by analyzing our clients' business operations and challenges, followed by system planning, cloud service selection, construction, and ongoing maintenance.

Furthermore, our BPO (Information and Business Process Outsourcing) services leverage a wide range of operational expertise and the latest technologies to assist companies in improving efficiency and reducing costs.



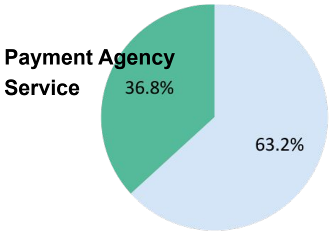
segmentSub	Former Sub segment	Description
SI・Software Development・Product Sales	**Professional Services / System Integration (Service-based)** **Product Sales**	Provision of hardware with embedded software products, delivery of various cloud services including Google-related solutions, and sales of software products. Package implementation and customization tailored to client needs, contract development for design and production based on client specifications, and related operational support, contracting, and technical staffing. Technical support for security products. Cloud service implementation and support, system development for the auto auction industry, and application development. Procurement and sales of software products, system hardware, and supplies. Various network services.
Cloud License	**Cloud & License Sales**	Sales of licenses only (Google Workspace-related, AWS, Salesforce, security services) and provision of IDC (Tono IDC)
BPO	**Information Processing**	Provision of BPO services (Invoice creation agency, DSK Multi-Invoice, call center, data entry, etc.) Data processing and order fulfillment for gift mail-orders from post offices and department stores Information processing for the energy industry (gas stations and gas retailers)
Other Revenue	**Other Revenue**	Server leasing/rentals

Appendix: Segment Description（Payment Agency Service Segment）

As a pioneer in payment and collection services with over 50 years of history since becoming the first private-sector company to launch account transfer and convenience store payment services, we continue to expand our offerings.

Our highly experienced consultants provide the "optimal payment solutions" for your business.

Revenue by Segment:
FY 2025



Sub segment	Former Sub segment	Description
Convenience Store Offline Payment	**Collection Services within our payment and collection agency operations**	Invoicing services for payments at convenience stores and other main locations Japan Post Bank transfer (MT) agency services Cashless payment services (PayPay, LINE Pay, Bank Pay, etc.) Mobile payment service "Mobalai☆DSK"
Bank Transfer/Direct Debits	**Collection Services within our payment agency operations**	Bank Transfer/Direct Debit services (including TREE PAYMENT)
Online Payment	**Online Payment Services**	Credit card payment services Paperless convenience store payment services "PayLabo": A payment platform providing one-stop integrated payment solutions "TREE PAYMENT -On-Demand-": A service platform allowing payments at the customer's preferred timing and method
Payment Collection-Related Services	**Remittance Service** **Payment Collection-Related Services**	Domestic Remittance (Type II Funds Transfer Service) Accurately handles complex tasks such as refunds and remittances to domestic customers; convenient for refund processes following event cancellations, etc. Biz@gent: Implementation of services that allow "payment slips" to be paid not only at convenience stores and financial institutions but also at supermarkets, drugstores, and various retail outlets
Other Revenue	**Other Revenue**	DSK Deferred Payment Service and TREE PAYMENT Account Transfer -100% Guaranteed Payment Type-