

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2025 (Based on Japanese GAAP)

May 14, 2025

Company name: D.I.System Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4421 URL <https://www.di-system.co.jp/>
 Representative: Representative Director and Chairman Mitsuhiro Nagata
 Inquiries: Director, Corporate Planning Division Yutaka Otsuka TEL 03(6826)7772
 Scheduled date to file Semi-annual Securities Report: May 14, 2025
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended March 31, 2025 (from October 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended March 31, 2025	3,395	2.9	215	(5.5)	215	(5.1)	148	(2.5)
Six months ended March 31, 2024	3,300	10.1	227	(11.9)	226	(11.8)	151	(11.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2025	50.95	50.84
Six months ended March 31, 2024	52.25	52.15

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	3,005	1,512	50.3
As of September 30, 2024	2,892	1,438	49.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2024	–	0.00	–	25.00	25.00
Year ending September 30, 2025	–	0.00			
Year ending September 30, 2025 (Forecast)			–	27.00	27.00

3. Forecast of consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,523	10.1	360	4.8	359	4.7	237	(2.0)	81.51

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended March 31, 2025: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of March 31, 2025	3,058,000 shares	As of September 30, 2024	3,058,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	150,336 shares	As of September 30, 2024	150,336 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2025	2,907,644 shares	Six months ended March 31, 2024	2,907,703 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	1,072,583	904,976
Accounts receivable - trade, and contract assets	962,998	1,045,539
Merchandise	8,250	3,242
Work in process	4,438	43,821
Other	109,084	107,675
Total current assets	2,157,356	2,105,255
Non-current assets		
Property, plant and equipment	141,483	223,826
Intangible assets		
Goodwill	179,511	167,577
Other	35,054	55,913
Total intangible assets	214,565	223,491
Investments and other assets		
Deferred tax assets	195,763	215,515
Other	183,085	237,032
Total investments and other assets	378,849	452,547
Total non-current assets	734,897	899,865
Total assets	2,892,254	3,005,120
Liabilities		
Current liabilities		
Accounts payable - trade	226,840	239,897
Current portion of long-term borrowings	58,430	25,120
Accrued expenses	195,269	188,554
Income taxes payable	71,133	103,331
Contract liabilities	195,863	149,630
Provision for bonuses	276,082	245,247
Other	163,196	246,869
Total current liabilities	1,186,815	1,198,651
Non-current liabilities		
Retirement benefit liability	264,807	283,751
Other	2,173	10,636
Total non-current liabilities	266,981	294,387
Total liabilities	1,453,796	1,493,039
Net assets		
Shareholders' equity		
Share capital	291,390	291,390
Capital surplus	215,390	215,390
Retained earnings	1,054,077	1,129,532
Treasury shares	(134,900)	(134,900)
Total shareholders' equity	1,425,957	1,501,412
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	12,499	10,668
Total accumulated other comprehensive income	12,499	10,668
Total net assets	1,438,457	1,512,081
Total liabilities and net assets	2,892,254	3,005,120

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Net sales	3,300,351	3,395,392
Cost of sales	2,585,085	2,643,112
Gross profit	715,266	752,280
Selling, general and administrative expenses	487,799	537,245
Operating profit	227,466	215,034
Non-operating income		
Interest income	10	476
Total non-operating income	10	476
Non-operating expenses		
Interest expenses	717	221
Total non-operating expenses	717	221
Ordinary profit	226,759	215,290
Profit before income taxes	226,759	215,290
Income taxes - current	86,315	86,086
Income taxes - deferred	(11,510)	(18,943)
Total income taxes	74,805	67,143
Profit	151,953	148,146
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	151,953	148,146

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Profit	151,953	148,146
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(980)	(1,830)
Total other comprehensive income	(980)	(1,830)
Comprehensive income	150,973	146,315
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	150,973	146,315
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2024	Six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	226,759	215,290
Depreciation	16,129	18,831
Amortization of deposit	1,793	6,236
Amortization of goodwill	11,933	11,933
Increase (decrease) in provision for bonuses	(13,613)	(30,834)
Increase (decrease) in retirement benefit liability	13,951	16,304
Interest income	(10)	(476)
Interest expenses	717	221
Decrease (increase) in accounts receivable - trade, and contract assets	(58,620)	(82,540)
Decrease (increase) in inventories	(40,346)	(34,374)
Increase (decrease) in trade payables	43,869	13,057
Decrease (increase) in other assets	14,826	(11,132)
Increase (decrease) in other liabilities	(48,674)	(31,726)
Subtotal	168,714	90,789
Interest received	10	476
Interest paid	(711)	(210)
Income taxes refund (paid)	(68,195)	(55,639)
Net cash provided by (used in) operating activities	99,817	35,415
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,180)	(19,781)
Purchase of intangible assets	(10,128)	(29,774)
Payments of guarantee deposits	(17,598)	(47,946)
Other, net	808	294
Net cash provided by (used in) investing activities	(58,097)	(97,208)
Cash flows from financing activities		
Repayments of long-term borrowings	(33,310)	(33,310)
Dividends paid	(63,883)	(72,505)
Net cash provided by (used in) financing activities	(97,193)	(105,815)
Net increase (decrease) in cash and cash equivalents	(55,473)	(167,607)
Cash and cash equivalents at beginning of period	1,104,251	1,072,583
Cash and cash equivalents at end of period	1,048,778	904,976