

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2026 (Based on Japanese GAAP)

May 14, 2026

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 President Kentaro Tomita
 Inquiries: Managing Director Yutaka Otsuka TEL 03(6826)7772
 Scheduled date to file Semi-annual Securities Report: May 14, 2026
 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, 2026 (from October 1, 2025 to March 31, 2026)

(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, 2026	3,603	6.1	160	(25.3)	167	(22.4)	104	(29.4)
Six months ended March 31, 2025	3,395	2.9	215	(5.5)	215	(5.1)	148	(2.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2026	35.97		35.90	
Six months ended March 31, 2025	50.95		50.84	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2026	3,409	1,658	48.6
As of September 30, 2025	3,108	1,635	52.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2025	–	0.00	–	27.00	27.00
Year ending September 30, 2026	–	0.00			
Year ending September 30, 2026 (Forecast)			–	28.00	28.00

3. Forecast of consolidated financial results for the year ending September 30, 2026 (from October 1, 2025 to September 30, 2026)

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	7,952	10.1	381	7.0	380	5.8	256	(0.0)	88.08

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended March 31, 2026: Yes

(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, 2026	3,059,000 shares	As of September 30, 2025	3,059,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2026	150,336 shares	As of September 30, 2025	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, 2026	2,908,664 shares	Six months ended March 31, 2025	2,907,644 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	1,023,623	1,197,205
Accounts receivable - trade, and contract assets	1,050,179	914,919
Merchandise	71	9,969
Work in process	12,397	26,915
Other	124,723	135,907
Total current assets	<u>2,210,995</u>	<u>2,284,916</u>
Non-current assets		
Property, plant and equipment	204,469	233,854
Intangible assets		
Goodwill	155,644	221,319
Other	107,014	193,649
Total intangible assets	<u>262,658</u>	<u>414,968</u>
Investments and other assets		
Deferred tax assets	205,841	243,492
Other	224,089	232,742
Total investments and other assets	<u>429,930</u>	<u>476,235</u>
Total non-current assets	<u>897,059</u>	<u>1,125,057</u>
Total assets	<u>3,108,054</u>	<u>3,409,974</u>
Liabilities		
Current liabilities		
Accounts payable - trade	238,206	239,748
Current portion of long-term borrowings	–	60,072
Accrued expenses	207,672	196,954
Income taxes payable	81,206	95,932
Contract liabilities	185,032	169,569
Provision for bonuses	279,831	275,300
Provision for loss on orders received	9,240	–
Other	183,863	172,464
Total current liabilities	<u>1,185,053</u>	<u>1,210,043</u>
Non-current liabilities		
Long-term borrowings	–	239,928
Retirement benefit liability	278,005	292,903
Other	9,097	8,431
Total non-current liabilities	<u>287,103</u>	<u>541,263</u>
Total liabilities	<u>1,472,157</u>	<u>1,751,307</u>
Net assets		
Shareholders' equity		
Share capital	291,540	291,540
Capital surplus	215,540	215,540
Retained earnings	1,237,615	1,263,734
Treasury shares	(134,900)	(134,900)
Total shareholders' equity	<u>1,609,795</u>	<u>1,635,914</u>
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	26,101	22,752
Total accumulated other comprehensive income	<u>26,101</u>	<u>22,752</u>
Total net assets	<u>1,635,897</u>	<u>1,658,666</u>
Total liabilities and net assets	<u>3,108,054</u>	<u>3,409,974</u>

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, 2025	Six months ended March 31, 2026
Net sales	3,395,392	3,603,719
Cost of sales	2,643,112	2,834,538
Gross profit	752,280	769,180
Selling, general and administrative expenses	537,245	608,480
Operating profit	215,034	160,699
Non-operating income		
Interest income	476	1,192
Surrender value of insurance policies	–	5,950
Total non-operating income	476	7,142
Non-operating expenses		
Interest expenses	221	780
Total non-operating expenses	221	780
Ordinary profit	215,290	167,061
Profit before income taxes	215,290	167,061
Income taxes - current	86,086	78,422
Income taxes - deferred	(18,943)	(16,013)
Total income taxes	67,143	62,408
Profit	148,146	104,653
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	148,146	104,653

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Profit	148,146	104,653
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(1,830)	22,752
Total other comprehensive income	(1,830)	22,752
Comprehensive income	146,315	127,405
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	146,315	127,405
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended March 31, 2025	Six months ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	215,290	167,061
Depreciation	18,831	23,487
Amortization of deposit	6,236	2,543
Amortization of goodwill	11,933	13,923
Increase (decrease) in provision for bonuses	(30,834)	(10,364)
Increase (decrease) in provision for loss on orders received	–	(9,240)
Increase (decrease) in retirement benefit liability	16,304	10,069
Interest income	(476)	(1,192)
Interest expenses	221	780
Decrease (increase) in accounts receivable - trade, and contract assets	(82,540)	146,425
Decrease (increase) in inventories	(34,374)	(24,415)
Increase (decrease) in trade payables	13,057	1,542
Decrease (increase) in other assets	(11,132)	(6,038)
Increase (decrease) in other liabilities	(31,726)	(52,542)
Subtotal	90,789	262,040
Interest received	476	1,192
Interest paid	(210)	(1,099)
Income taxes refund (paid)	(55,639)	(63,994)
Net cash provided by (used in) operating activities	35,415	198,138
Cash flows from investing activities		
Payments into time deposits	–	(16,029)
Proceeds from withdrawal of time deposits	–	11,028
Purchase of property, plant and equipment	(19,781)	(18,889)
Purchase of intangible assets	(29,774)	(97,058)
Payments of guarantee deposits	(47,946)	(12,688)
Payments from changes in ownership interests in subsidiaries and affiliates result in change in scope of consolidation	–	(131,495)
Other, net	294	50
Net cash provided by (used in) investing activities	(97,208)	(265,083)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	300,000
Repayments of long-term borrowings	(33,310)	–
Dividends paid	(72,505)	(78,505)
Net cash provided by (used in) financing activities	(105,815)	221,494
Net increase (decrease) in cash and cash equivalents	(167,607)	154,549
Cash and cash equivalents at beginning of period	1,072,583	1,023,623
Cash and cash equivalents at end of period	904,976	1,178,173