

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: DAIHO CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1822 URL <https://www.daiho.co.jp>
 Representative: CEO Kakue Morishita
 Inquiries: General Manager, Accounting Department, Yoshinori Umehara TEL 03-3297-7000
 Administration Division
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended December 31, 2022	109,183	2.5	2,235	(46.7)	2,243	(49.5)	1,068	(64.3)
Nine months ended December 31, 2021	106,475	(8.6)	4,193	(20.5)	4,439	(15.4)	2,992	(11.8)

Note: Comprehensive income
 Nine months ended December 31, 2022 ¥1,084 million [(52.8)%]
 Nine months ended December 31, 2021 ¥2,294 million [(42.2)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	60.72		59.86	
Nine months ended December 31, 2021	172.78		162.39	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	162,589	71,292	43.2
As of March 31, 2022	169,621	74,493	43.3

Reference: Equity
 As of December 31, 2022 ¥70,179 million
 As of March 31, 2022 ¥73,381 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	–	–	243.00	243.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	230.00	230.00

Note: Revisions to the cash dividend forecasts most recently announced: None

Regarding year-end dividend forecasts for the year ending March 31, 2023, from the viewpoint of maintaining the cash dividend forecasts at the beginning of the period, the Company plans to obtain approval at the ordinary general meeting of shareholders scheduled to be held in June 2023 to pay ¥230 per share.

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	153,000	(2.2)	4,200	(52.6)	4,000	(57.1)	2,200	(63.3)	124.98

Note: Revisions to the financial results forecasts most recently announced: None

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly 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: Yes
- 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 December 31, 2022	18,083,163 shares	As of March 31, 2022	18,433,163 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	479,639 shares	As of March 31, 2022	980,528 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	17,603,375 shares	Nine months ended December 31, 2021	17,318,521 shares
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Note: The Company has introduced a share distribution trust system for delivering shares to the Company's Directors, etc. via a trust. The Company's shares that are owned by the trust (78,500 shares) are included in "number of treasury shares at the end of the period," and in calculating and presenting "average number of shares outstanding during the period," the Company has considered the shares owned by said trust to be included.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	19,780	27,029
Notes receivable, accounts receivable from completed construction contracts and other	100,889	87,969
Electronically recorded monetary claims - operating	301	1,330
Costs on construction contracts in progress	2,303	3,083
Short-term loans receivable	2	2
Advances paid	13,367	11,577
Other	3,528	2,861
Allowance for doubtful accounts	(6)	(2)
Total current assets	140,167	133,850
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,880	10,832
Machinery, vehicles, tools, furniture and fixtures	8,053	7,505
Land	8,662	8,623
Leased assets	145	170
Construction in progress	214	793
Accumulated depreciation	(10,804)	(10,645)
Total property, plant and equipment	17,151	17,279
Intangible assets	231	362
Investments and other assets		
Investment securities	8,044	8,513
Long-term loans receivable	2,659	1,147
Deferred tax assets	850	637
Other	623	934
Allowance for doubtful accounts	(106)	(136)
Total investments and other assets	12,071	11,097
Total non-current assets	29,454	28,739
Total assets	169,621	162,589

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,991	30,334
Electronically recorded obligations - operating	10,409	9,217
Short-term borrowings	2,950	950
Current portion of long-term borrowings	3,150	–
Income taxes payable	558	605
Advances received on construction contracts in progress	9,959	10,457
Deposits received	21,174	22,689
Provision for warranties for completed construction	687	1,139
Provision for bonuses	821	18
Provision for loss on construction contracts	855	1,764
Other	888	765
Total current liabilities	86,445	77,942
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,463	26
Long-term borrowings	–	6,000
Deferred tax liabilities	8	9
Provision for share awards	162	174
Retirement benefit liability	6,267	6,346
Other	781	797
Total non-current liabilities	8,683	13,354
Total liabilities	95,128	91,296
Net assets		
Shareholders' equity		
Share capital	10,549	30,736
Capital surplus	9,059	21,746
Retained earnings	56,753	19,045
Treasury shares	(3,725)	(2,080)
Total shareholders' equity	72,636	69,449
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	747	719
Foreign currency translation adjustment	(31)	(57)
Remeasurements of defined benefit plans	28	68
Total accumulated other comprehensive income	744	730
Share acquisition rights	266	241
Non-controlling interests	845	871
Total net assets	74,493	71,292
Total liabilities and net assets	169,621	162,589

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	106,475	109,183
Cost of sales	97,616	101,832
Gross profit	8,858	7,351
Selling, general and administrative expenses	4,664	5,115
Operating profit	4,193	2,235
Non-operating income		
Interest income	48	43
Dividend income	121	121
Foreign exchange gains	203	389
Other	60	72
Total non-operating income	434	626
Non-operating expenses		
Interest expenses	34	42
Guarantee commission	62	54
Commission expenses	71	483
Provision of allowance for doubtful accounts	–	29
Other	20	9
Total non-operating expenses	189	619
Ordinary profit	4,439	2,243
Extraordinary income		
Gain on sale of non-current assets	332	45
Other	18	–
Total extraordinary income	350	45
Extraordinary losses		
Loss on sale and retirement of non-current assets	111	9
Loss on litigation	4	12
Loss on valuation of investment securities	–	1
Other	0	2
Total extraordinary losses	116	25
Profit before income taxes	4,673	2,262
Income taxes - current	836	944
Income taxes - deferred	787	219
Total income taxes	1,624	1,164
Profit	3,048	1,098
Profit attributable to non-controlling interests	56	29
Profit attributable to owners of parent	2,992	1,068

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,048	1,098
Other comprehensive income		
Valuation difference on available-for-sale securities	(794)	(28)
Foreign currency translation adjustment	2	(26)
Remeasurements of defined benefit plans, net of tax	37	40
Total other comprehensive income	(754)	(14)
Comprehensive income	2,294	1,084
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,238	1,054
Comprehensive income attributable to non-controlling interests	56	29