

**Translation**

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## Summary of Non-Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 2023

Company name: DAIWA INDUSTRIES LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6459 URL <https://www.drk.co.jp>  
 Representative: President and Representative Director Atsushi Ozaki  
 Inquiries: General Manager of Accounting Division Kiichiro Sokooshi TEL 06-6767-8171  
 Scheduled date to file Quarterly Securities Report: November 14, 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. Non-consolidated financial results for the nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

## (1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2023	35,430	7.2	6,757	24.6	6,645	24.7	4,524	33.0
Nine months ended September 30, 2022	33,048	(0.3)	5,423	2.3	5,328	2.7	3,402	(4.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	91.66		–	
Nine months ended September 30, 2022	66.73		–	

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	92,664	63,265	68.3
As of December 31, 2022	86,071	60,196	69.9

## 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 December 31, 2022	–	15.00	–	15.00	30.00
Year ending December 31, 2023	–	15.00	–	–	–
Year ending December 31, 2023 (Forecast)	–	–	–	15.00	30.00

## 3. Forecast of non-consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	45,961	4.6	7,787	11.5	7,657	11.5	5,215	17.3	105.64

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2023	51,717,215 shares	As of December 31, 2022	51,717,215 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	2,353,027 shares	As of December 31, 2022	2,352,591 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2023	49,364,411 shares	Nine months ended September 30, 2022	50,992,537 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	53,867,822	59,705,479
Notes and accounts receivable - trade, and contract assets	4,402,267	4,966,087
Merchandise and finished goods	1,519,989	2,473,602
Work in process	444,206	494,943
Raw materials and supplies	830,721	858,805
Service Parts	197,258	206,050
Other	893,799	380,981
Allowance for doubtful accounts	(901)	(1,015)
Total current assets	62,155,162	69,084,934
Non-current assets		
Property, plant and equipment	10,491,198	10,743,179
Intangible assets	127,352	99,714
Investments and other assets		
Investment securities	447,335	483,131
Long-term time deposits	9,000,000	9,000,000
Other	3,913,399	3,315,555
Allowance for doubtful accounts	(63,047)	(61,809)
Total investments and other assets	13,297,687	12,736,877
Total non-current assets	23,916,238	23,579,771
Total assets	86,071,401	92,664,706
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,300,640	6,999,903
Income taxes payable	–	1,377,368
Contract liabilities	17,008,688	17,290,543
Provisions	367,538	964,148
Other	1,785,304	2,355,385
Total current liabilities	25,462,172	28,987,348
Non-current liabilities		
Provisions	400,440	403,217
Other	12,049	8,183
Total non-current liabilities	412,489	411,400
Total liabilities	25,874,662	29,398,749
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,907,039	9,907,039
Capital surplus	9,867,880	9,867,880
Retained earnings	42,782,360	45,826,097
Treasury shares	(2,437,233)	(2,437,824)
Total shareholders' equity	60,120,046	63,163,193
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	76,691	102,763
Total valuation and translation adjustments	76,691	102,763
Total net assets	60,196,738	63,265,957
Total liabilities and net assets	86,071,401	92,664,706

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	33,048,517	35,430,295
Cost of sales	14,475,216	15,192,378
Gross profit	18,573,301	20,237,916
Selling, general and administrative expenses	13,150,029	13,480,188
Operating profit	5,423,271	6,757,727
Non-operating income		
Interest income	10,476	11,315
Dividend income	8,417	8,037
Compensation income	30,532	35,708
Other	56,784	55,820
Total non-operating income	106,210	110,882
Non-operating expenses		
Loss on scrap sales	163,205	179,053
Other	37,644	44,238
Total non-operating expenses	200,849	223,292
Ordinary profit	5,328,632	6,645,317
Extraordinary losses		
Loss on retirement of non-current assets	55	0
Total extraordinary losses	55	0
Profit before income taxes	5,328,576	6,645,317
Income taxes - current	495,754	1,522,182
Income taxes - deferred	1,430,185	598,463
Total income taxes	1,925,940	2,120,645
Profit	3,402,636	4,524,671