

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 2024

Company name: DAIHO CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 1822 URL <https://www.daiho.co.jp>  
 Representative: CEO Kakue Morishita  
 General Manager of Administration Division  
 Inquiries: Yoshinori Umehara TEL 03-3297-7000  
 Accounting Department  
 Scheduled date to file Quarterly Securities Report: February 13, 2024  
 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, 2023 (from April 1, 2023 to December 31, 2023)

#### (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, 2023	116,948	7.1	144	(93.6)	465	(79.3)	(1,020)	–
Nine months ended December 31, 2022	109,183	2.5	2,235	(46.7)	2,243	(49.5)	1,068	(64.3)

Note: Comprehensive income  
 Nine months ended December 31, 2023 ¥(131) million [–%]  
 Nine months ended December 31, 2022 ¥1,084 million [(52.8)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	(57.93)		–	
Nine months ended December 31, 2022	60.72		59.86	

Note: Diluted earnings per share for the nine months ended December 31, 2023 are not described here because, although there are potentially dilutive shares, loss per share was recorded.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	164,322	68,737	41.1
As of March 31, 2023	170,359	73,179	42.3

Reference: Equity  
 As of December 31, 2023 ¥67,503 million  
 As of March 31, 2023 ¥71,986 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, 2023	–	–	–	230.00	230.00
Year ending March 31, 2024	–	–	–		
Year ending March 31, 2024 (Forecast)				27.00	27.00

Note: Revisions to the cash dividend forecasts most recently announced: Yes

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	160,500	2.9	1,000	(80.3)	1,300	(74.3)	(1,600)	–	(91.01)

Note: Revisions to the financial results forecasts most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023  
(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: 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 December 31, 2023	18,083,163 shares	As of March 31, 2023	18,083,163 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	501,754 shares	As of March 31, 2023	453,885 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, 2023	17,611,710 shares	Nine months ended December 31, 2022	17,603,375 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 (131,100 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, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	28,074	26,677
Notes receivable, accounts receivable from completed construction contracts and other	99,018	86,715
Electronically recorded monetary claims - operating	315	4,205
Costs on construction contracts in progress	2,222	3,039
Short-term loans receivable	2	2
Advances paid	11,025	8,916
Income taxes refund receivable	51	872
Other	1,283	5,644
Allowance for doubtful accounts	(5)	(1,033)
Total current assets	141,988	135,040
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,813	11,994
Machinery, vehicles, tools, furniture and fixtures	7,557	7,528
Land	8,588	8,974
Leased assets	170	182
Construction in progress	1,075	143
Accumulated depreciation	(10,873)	(11,150)
Total property, plant and equipment	17,332	17,673
Intangible assets	601	586
Investments and other assets		
Investment securities	8,206	9,607
Deferred tax assets	1,039	659
Other	1,320	1,034
Allowance for doubtful accounts	(129)	(277)
Total investments and other assets	10,437	11,023
Total non-current assets	28,371	29,282
Total assets	170,359	164,322

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	34,599	30,549
Electronically recorded obligations - operating	10,652	12,950
Short-term borrowings	950	4,950
Income taxes payable	1,918	94
Accrued consumption taxes	2,576	5
Advances received on construction contracts in progress	9,322	6,729
Deposits received	19,586	22,784
Provision for warranties for completed construction	1,047	817
Provision for bonuses	808	22
Provision for loss on construction contracts	1,610	2,414
Other	752	862
<b>Total current liabilities</b>	<b>83,826</b>	<b>82,180</b>
<b>Non-current liabilities</b>		
Convertible-bond-type bonds with share acquisition rights	26	24
Long-term borrowings	6,000	6,000
Provision for share awards	191	200
Provision for retirement benefits for directors (and other officers)	35	18
Provision for retirement benefits for directors (and executive officers)	25	17
Retirement benefit liability	6,302	6,429
Other	772	716
<b>Total non-current liabilities</b>	<b>13,354</b>	<b>13,405</b>
<b>Total liabilities</b>	<b>97,180</b>	<b>95,585</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	30,736	10,000
Capital surplus	21,746	42,476
Retained earnings	20,843	15,750
Treasury shares	(1,959)	(2,167)
<b>Total shareholders' equity</b>	<b>71,367</b>	<b>66,059</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	510	1,419
Foreign currency translation adjustment	(43)	(56)
Remeasurements of defined benefit plans	152	80
<b>Total accumulated other comprehensive income</b>	<b>618</b>	<b>1,444</b>
Share acquisition rights	166	149
Non-controlling interests	1,026	1,084
<b>Total net assets</b>	<b>73,179</b>	<b>68,737</b>
<b>Total liabilities and net assets</b>	<b>170,359</b>	<b>164,322</b>

## 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, 2022	Nine months ended December 31, 2023
Net sales	109,183	116,948
Cost of sales	101,832	111,508
Gross profit	7,351	5,440
Selling, general and administrative expenses	5,115	5,296
Operating profit	2,235	144
Non-operating income		
Interest income	43	13
Dividend income	121	137
Foreign exchange gains	389	375
Other	72	54
Total non-operating income	626	580
Non-operating expenses		
Interest expenses	42	36
Guarantee commission	54	53
Provision of allowance for doubtful accounts	29	146
Other	492	22
Total non-operating expenses	619	259
Ordinary profit	2,243	465
Extraordinary income		
Gain on sale of non-current assets	45	19
Gain on sale of investment securities	–	70
Other	–	1
Total extraordinary income	45	92
Extraordinary losses		
Loss on sale and retirement of non-current assets	9	9
Provision of allowance for doubtful accounts	–	1,032
Loss on litigation	12	19
Loss on valuation of investment securities	1	2
Other	2	0
Total extraordinary losses	25	1,062
Profit (loss) before income taxes	2,262	(505)
Income taxes - current	944	464
Income taxes - deferred	219	(12)
Total income taxes	1,164	451
Profit (loss)	1,098	(957)
Profit attributable to non-controlling interests	29	62
Profit (loss) attributable to owners of parent	1,068	(1,020)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	1,098	(957)
Other comprehensive income		
Valuation difference on available-for-sale securities	(28)	909
Foreign currency translation adjustment	(26)	(12)
Remeasurements of defined benefit plans, net of tax	40	(71)
Total other comprehensive income	(14)	825
Comprehensive income	1,084	(131)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,054	(194)
Comprehensive income attributable to non-controlling interests	29	62